



# Haryana Government Gazette

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## PART - IV

### Republication of Act, Bills, Ordinances etc. and Rules thereunder

Assented to on 26th July, 2016

Act No. 34 of 2016

### THE INDIAN TRUSTS (AMENDMENT) ACT, 2016

AN

ACT

*further to amend the Indian Trusts Act, 1882.*

BE it enacted by Parliament in the Sixty-seventh Year of the Republic of India as follows:—

1. (1) This Act may be called the Indian Trusts (Amendment) Act, 2016.

Short title  
and com-  
mencement.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2 of 1882.

2. For section 20 of the Indian Trusts Act, 1882 (hereinafter referred to as the principal Act), the following section shall be substituted, namely:—

Substitution  
of new  
section for  
section 20.

‘20. Where the trust-property consists of money and cannot be applied immediately or at an early date to the purposes of the trust, the trustee shall, subject to any direction contained in the instrument of trust, invest the money in any of the securities or class of securities expressly authorised by the instrument of trust or as specified by the Central Government, by notification in the Official Gazette:

Investment  
of trust-  
money.

Provided that where there is a person competent to contract and entitled in possession to receive the income of the trust-property for his life, or for any greater

estate, no investment in any of the securities or class of securities mentioned above shall be made without his consent in writing.

*Explanation.*—For the purposes of this section, the expression “securities” shall have the same meaning as assigned to it in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956.’

42 of 1956.

Amendment  
of section  
20A.

**3.** In section 20A of the principal Act, in sub-section (I), the proviso shall be omitted.

**Assented to on 26th July, 2016**  
**Act No. 35 of 2016**

**THE CHILD LABOUR (PROHIBITION AND REGULATION)  
AMENDMENT ACT, 2016**

AN

ACT

*further to amend the Child Labour (Prohibition and Regulation) Act, 1986.*

BE it enacted by Parliament in the Sixty-seventh Year of the Republic of India as follows:—

**1. (1)** This Act may be called the Child Labour (Prohibition and Regulation) Amendment Act, 2016. Short title and commencement.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

61 of 1986.

**2.** In the Child Labour (Prohibition and Regulation) Act, 1986 (hereinafter referred to as the principal Act), for the long title, the following shall be substituted, namely:— Amendment of long title.

“An Act to prohibit the engagement of children in all occupations and to prohibit the engagement of adolescents in hazardous occupations and processes and the matters connected therewith or incidental thereto.”.

Amendment  
of short title.

3. In section 1 of the principal Act, in sub-section (1), for the words, brackets and figures “the Child Labour (Prohibition and Regulation) Act, 1986”, the words, brackets and figures “the Child and Adolescent Labour (Prohibition and Regulation) Act, 1986” shall be substituted.

61 of 1986.

Amendment  
of section 2.

4. In section 2 of the principal Act,—

(a) clause (i) shall be renumbered as clause (ia) thereof and before clause (ia) as so renumbered, the following clause shall be inserted, namely:—

‘(i) “adolescent” means a person who has completed his fourteenth year of age but has not completed his eighteenth year;’;

(b) for clause (ii), the following clause shall be substituted, namely:—

‘(ii) “child” means a person who has not completed his fourteenth year of age or such age as may be specified in the Right of Children to Free and Compulsory Education Act, 2009, whichever is more;’.

35 of 2009.

Substitution  
of new  
section for  
section 3.

5. For section 3 of the principal Act, the following section shall be substituted, namely:—

Prohibition of  
employment  
of children in  
any occupa-  
tion and  
process.

“3. (1) No child shall be employed or permitted to work in any occupation or process.

(2) Nothing in sub-section (1) shall apply where the child,—

(a) helps his family or family enterprise, which is other than any hazardous occupations or processes set forth in the Schedule, after his school hours or during vacations;

(b) works as an artist in an audio-visual entertainment industry, including advertisement, films, television serials or any such other entertainment or sports activities except the circus, subject to such conditions and safety measures, as may be prescribed:

Provided that no such work under this clause shall effect the school education of the child.

*Explanation.*—For the purposes of this section, the expression,

(a) “family” in relation to a child, means his mother, father, brother, sister and father’s sister and brother and mother’s sister and brother;

(b) “family enterprise” means any work, profession, manufacture or business which is performed by the members of the family with the engagement of other persons;

(c) “artist” means a child who performs or practices any work as a hobby or profession directly involving him as an actor, singer, sports person or in such other activity as may be prescribed relating to the entertainment or sports activities falling under clause (b) of sub-section (2).”.

Insertion of  
new section  
3A.

6. After section 3 of the principal Act, the following section shall be inserted, namely:—

Prohibition of  
employment  
of adolescents  
in certain  
hazardous  
occupations  
and processes.

“3A. No adolescent shall be employed or permitted to work in any of the hazardous occupations or processes set forth in the Schedule:

Provided that the Central Government may, by notification, specify the nature of the non-hazardous work to which an adolescent may be permitted to work under this Act.”.

- 7.** In section 4 of the principal Act, for the words “add any occupation or process to the Schedule”, the words “add to, or, omit from, the Schedule any hazardous occupation or process” shall be substituted. Amendment of section 4.
- 8.** In section 5 of the principal Act,—  
 (i) in the marginal heading, for the words “Child Labour Technical Advisory Committee”, the words “Technical Advisory Committee” shall be substituted;  
 (ii) in sub-section (1), for the words “Child Labour Technical Advisory Committee”, the words “Technical Advisory Committee” shall be substituted. Amendment of section 5.
- 9.** In the heading of Part III of the principal Act, for “CHILDREN” substitute “ADOLESCENTS.”. Amendment of Part III.
- 10.** In section 6 of the principal Act, for the word and figure “section 3”, the word, figure and letter “section 3A” shall be substituted. Amendment of section 6.
- 11.** In section 7 of the principal Act, for the word “child”, wherever it occurs, the word “adolescent” shall be substituted. Amendment of section 7.
- 12.** In section 8 of the principal Act, for the word “child”, the word “adolescent” shall be substituted. Amendment of section 8.
- 13.** In section 9 of the principal Act, for the word “child”, at both the places, where it occurs, the word “adolescent” shall be substituted. Amendment of section 9.
- 14.** In section 10 of the principal Act, for the word “child”, at both the places, where it occurs, the word “adolescent” shall be substituted. Amendment of section 10.
- 15.** In section 11 of the principal Act,—  
 (a) for the word “children”, the word “adolescent” shall be substituted.  
 (b) for the word “child”, wherever it occurs the word “adolescent” shall be substituted. Amendment of section 11.
- 16.** In section 12 of the principal Act,—  
 (a) in the marginal heading, for the words and figures “sections 3 and 14” the words, figures and letter “sections 3A and 14” shall be substituted;  
 (b) for the words and figures “sections 3 and 14”, the words, figures and letter “sections 3A and 14” shall be substituted. Amendment of section 12.
- 17.** In section 13 of the principal Act, for the word “children”, wherever it occurs, the word “adolescent” shall be substituted. Amendment of section 13.
- 18.** In section 14 of the principal Act,—  
 (a) for sub-section (1), the following sub-sections shall be substituted, namely:—  
 “(1) Whoever employs any child or permits any child to work in contravention of the provisions of section 3 shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to two years, or with fine which shall not be less than twenty thousand rupees but which may extend to fifty thousand rupees, or with both:  
 Provided that the parents or guardians of such children shall not be punished unless they permit such child for commercial purposes in contravention of the provisions of section 3.  
 (1A) Whoever employs any adolescent or permits any adolescent to work in contravention of the provisions of section 3A shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to two years or with fine which shall not be less than twenty thousand rupees but which may extend to fifty thousand rupees, or with both: Amendment of section 14.

Provided that the parents or guardians of such adolescent shall not be punished unless they permit such adolescent to work in contravention of the provisions of section 3A.

(1B) Notwithstanding anything contained in sub-sections (1) and (1A) the parents or guardians of any child or adolescent referred to in section 3 or section 3A, shall not be liable for punishment, in case of the first offence."

(b) for sub-section (2), the following sub-sections shall be substituted, namely:—

"(2) Whoever, having been convicted of an offence under section 3 or section 3A commits a like offence afterwards, he shall be punishable with imprisonment for a term which shall not be less than one year but which may extend to three years.

(2A) Notwithstanding anything contained in sub-section (2), the parents or guardian having been convicted of an offence under section 3 or section 3A, commits a like offence afterwards, he shall be punishable with a fine which may extend to ten thousand rupees."

(c) clauses (a), (b) and (c) of sub-section (3) shall be omitted.

Insertion of  
new sections  
14A, 14B,  
14C and 14D.

19. After section 14 of the principal Act, the following sections shall be inserted, namely:—

Offences to be  
Cognizable.

"14A. Notwithstanding anything contained in the Code of Criminal Procedure, 1973, any offence committed by an employer and punishable under section 3 or section 3A shall be cognizable.

2 of 1974.

Child and  
Adolescent  
Labour  
Rehabilitation  
Fund.

14B. (1) The appropriate Government shall constitute a Fund in every district or for two or more districts to be called the Child and Adolescent Labour Rehabilitation Fund to which the amount of the fine realized from the employer of the child and adolescent, within the jurisdiction of such district or districts, shall be credited.

(2) The appropriate Government shall credit an amount of fifteen thousand rupees to the Fund for each child or adolescent for whom the fine amount has been credited under sub-section (1).

(3) The amount credited to the Fund under sub-sections (1) and (2) shall be deposited in such banks or invested in such manner, as the appropriate Government may decide.

(4) The amount deposited or invested, as the case may be under sub-section (3), and the interest accrued on it, shall be paid to the child or adolescent in whose favour such amount is credited, in such manner as may be prescribed.

*Explanation:—* For the purposes of appropriate Government, the Central Government shall include the Administrator or the Lieutenant Governor of a Union territory under article 239A of the Constitution.

Rehabilita-  
tion of  
rescued child  
or adolescent.

14C. The child or adolescent, who is employed in contravention of the provisions of this Act and rescued, shall be rehabilitated in accordance with the laws for the time being in force.

Compounding  
of offences.

14D. (1) Notwithstanding anything contained in the Code of Criminal Procedure, 1973, the District Magistrate may, on the application of the accused person, compound any offence committed for the first time by him, under sub-section (3) of section 14 or any offence committed by an accused person being parent or a guardian, in such manner and on payment of such amount to the appropriate Government, as may be prescribed.

2 of 1974.

(2) If the accused fails to pay such amount for composition of the offence, then, the proceedings shall be continued against such person in accordance with the provisions of this Act.

(3) Where any offence is compounded before the institution of any prosecution, no prosecution shall be instituted in relation to such offence, against the offender in relation to whom the offence is so compounded.

(4) Where the composition of any offence is made after the institution of any prosecution, such composition shall be brought in writing, to the notice of the Court in which the prosecution is pending and on the approval of the composition of the offence being given, the person against whom the offence is so compounded, shall be discharged."

**20.** After section 17, the following sections shall be inserted, namely:—

Insertion of  
new sections  
17A and 17B.

"17A. The appropriate Government may confer such powers and impose such duties on a District Magistrate as may be necessary, to ensure that the provisions of this Act are properly carried out and the District Magistrate may specify the officer, subordinate to him, who shall exercise all or any of the powers, and perform all or any of the duties, so conferred or imposed and the local limits within which such powers or duties shall be carried out by the officer as may be prescribed.

District  
Magistrate to  
implement  
the  
provisions.

17B. The appropriate Government shall make or cause to be made periodic inspection of the places at which the employment of children is prohibited and hazardous occupations or processes are carried out at such intervals as it thinks fit, and monitor the issues, relating to the provisions of this Act."

Inspection  
and monitor-  
ing.

**21.** In section 18 of the principal Act, in sub-section (2),—

Amendment  
of section 18.

(i) clause (a) shall be relettered as clause (b) thereof and before clause (b), as so relettered, the following clause shall be inserted, namely:—

(a) the conditions and the safety measures under clause (b) of sub-section (2) and other activities under clause (b) to *Explanation* of sub-section (2) of section 3;

(ii) in clause (b), as so relettered, for the words "Child Labour Technical Advisory Committee", the words "Technical Advisory Committee" shall be substituted.

(iii) clauses (b), (c) and (d) shall be relettered as clauses (c), (d) and (e) thereof and in clause (c) as so relettered, for the word "child", the word "adolescent" shall be substituted;

(iv) after clause (e), as so relettered, the following clauses shall be inserted, namely:—

"(f) the manner of payment of amount to the child or adolescent under sub-section (4) of section 14B;

(g) the manner of composition of the offence and payment of amount to the appropriate Government under sub-section (1) of section section 14D;

(h) the powers to be exercised and the duties to be performed by the officer specified and the local limits within which such powers or duties shall be carried out under section 17A."

Substitution  
of new  
Schedule for  
the Schedule.

**22.** In the principal Act, for the Schedule, the following Schedule shall be substituted,  
namely:—

**‘THE SCHEDULE**

(*See* section 3A)

(1) Mines.

(2) Inflammable substances or explosives.

(3) Hazardous process.

*Explanation.*—For the purposes of this Schedule, “hazardous process” has the meaning assigned to it in clause (*cb*) of the Factories Act, 1948.’.

63 of 1948.



## THE REGIONAL CENTRE FOR BIOTECHNOLOGY ACT, 2016

## ARRANGEMENT OF SECTION

1. Short title and commencement.
2. Definitions.
3. Establishment and incorporation of Regional Centre for Biotechnology.
4. Declaration of Regional Centre for Biotechnology as an institution of national importance.
5. Effect of establishment of Regional Centre.
6. Jurisdiction.
7. Objectives of Regional Centre.
8. Functions of Regional Centre.
9. Regional Centre to work in collaboration with other institutions of UNESCO.
10. Powers of Regional Centre.
11. Regional Centre open to all castes, creed, race or class.
12. Privileges and immunities of Regional Centre.
13. Authorities of Regional Centre.
14. Board of Governors.
15. Powers and functions of Board.
16. Powers and functions of Chairperson.
17. Programme Advisory Committee.
18. Executive Committee.
19. Finance Committee.
20. Other authorities of Regional Centre.
21. Board of Studies.
22. Officers of Regional Centre.
23. Executive Director.
24. Deans and Sub-Deans.
25. Associate Director (Administration).
26. Registrar.

27. Finance officer.
28. Other officers.
29. Grants and Loans to Regional Centre.
30. Fund of Regional Centre.
31. Annual report.
32. Annual accounts.
33. Returns and information.
34. Review of functioning of Regional Centre.
35. Appointment and conditions of service of employees of Regional Centre.
36. Meetings.
37. Filling of casual vacancies.
38. Proceedings of authorities not invalidated by vacancies.
39. Protection of action taken in good faith.
40. Arbitration.
41. Power to make Statutes.
42. Power to make Ordinances.
43. Regulations.
44. Statutes, Ordinances and Regulations to be published in the Official Gazette and to be laid before Parliament.
45. Power to make Statutes or Ordinances or Regulations retrospectively.
46. Power to remove difficulties.

**Assented to on 29th July, 2016**

**Act No. 36 of 2016**

**THE REGIONAL CENTRE FOR BIOTECHNOLOGY ACT, 2016**

AN

ACT

*to provide for the establishment of an institution of national importance to be known as  
Regional Centre for Biotechnology and to provide for matters connected  
therewith or incidental thereto.*

WHEREAS an agreement for the establishment and operation of the Regional Centre for Biotechnology Training and Education in India was entered into between the Government of India and the United Nations Educational, Scientific and Cultural Organisation on the 14th day of July, 2006;

AND WHEREAS in pursuance of the said agreement, the Central Government through an executive order dated the 20th April, 2009, established the Regional Centre for Biotechnology Training and Education at Faridabad, Haryana;

AND WHEREAS it is expedient to make provisions for strengthening and to make the Regional Centre for Biotechnology an institution of national importance for imparting education, training and conducting research in the areas of Biotechnology and related multi disciplinary areas.

BE it enacted by Parliament in the Sixty-seventh Year of the Republic of India as follows:—

1. (1) This Act may be called the Regional Centre for Biotechnology Act, 2016.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

Short title  
and  
commence-  
ment.

Definitions.

2. In this Act, unless the context otherwise requires,—

(a) “academic staff” means Assistant Professors, Associate Professors, Professors, Deans, Sub-Deans, Executive Director and such other persons, including Visiting Professors, Professors of Eminence, Honorary Professors, Adjunct Professors and Emeritus Professors, as may be appointed or engaged for imparting education, training or conducting research in the Regional Centre for Biotechnology;

(b) “Board” means the Board of Governors constituted under section 14;

(c) “Board of Studies” means the Board of Studies of the Regional Centre referred to in section 21;

(d) “Chairperson” means the Chairperson of the Board;

(e) “employee” means any person appointed by the Regional Centre and includes officers, academic and other staff of the Regional Centre;

(f) “Executive Committee” means the Executive Committee of the Regional Centre constituted under section 18;

(g) “Executive Director” means the Executive Director of the Regional Centre appointed under sub-section (1) of section 23;

(h) “existing Regional Centre” means the Regional Centre for Biotechnology Training and Education at National Capital Region, Faridabad;

(i) “hall” means a unit of residence, by whatever name called, for the students of the Regional Centre, maintained or recognised by it;

(j) “institution” includes autonomous organisations within or outside India, for imparting education, training and conducting research in the areas of Biotechnology and supported by the Government of India or industry or universities or other organisations;

(k) “Ordinances” means the Ordinances framed by the Programme Advisory Committee under section 42;

(l) “Programme Advisory Committee” means the Programme Advisory Committee of the Regional Centre constituted under section 17;

(m) “region” means the region comprising the territories of South Asian Association for Regional Co-operation (SAARC) States and generally the Asia region;

(n) “Regional Centre” means the Regional Centre for Biotechnology established under section 3;

(o) “Regulations” means the Regulations made by any authority of the Regional Centre under section 43;

(p) “Statutes” means the Statutes framed by the Board under section 41;

(q) “UNESCO” means the United Nations Educational, Scientific and Cultural Organisation.

Establishment and incorporation of Regional Centre for Biotechnology.

**3. (1) The Regional Centre for Biotechnology Training and Education at National Capital Region, Faridabad, Haryana functioning under the Department of Biotechnology, Ministry of Science and Technology is hereby established as a body corporate by the name of “Regional Centre for Biotechnology” having perpetual succession and a common seal with power, subject to the provisions of this Act, to contract and shall, by the said name, sue or be sued.**

(2) The Regional Centre shall consist of a Board of Governors and authorities specified in section 13.

(3) The headquarters of the Regional Centre shall be at its campus in the National Capital Region, Faridabad.

4. Whereas the objects of the institution known as the Regional Centre for Biotechnology are such as to make the institution one of national importance, it is hereby declared that the institution known as the Regional Centre for Biotechnology is an institution of national importance.

Declaration of Regional Centre for Biotechnology as an institution of national importance.

5. (1) On and from the date of commencement of this Act,—

Effect of establishment of Regional Centre.

(a) any reference to the existing Regional Centre in any law, other than this Act, or in any contract or other instrument, shall be deemed as a reference to the Regional Centre;

(b) all properties and assets, movable and immovable, of, or belonging to the existing Regional Centre shall vest in the Regional Centre;

(c) all rights and liabilities of the existing Regional Centre shall be transferred to, and be the rights and liabilities of, the Regional Centre;

(d) without prejudice to the provisions of clause (c), all debts, obligations and liabilities incurred, all contracts entered into and all matters and things engaged to be done by, with or for, the existing Regional Centre immediately before the said date, for or in connection with the purposes of the said Regional Centre shall be deemed to have incurred, entered into or engaged to be done by, with or for, the Regional Centre;

(e) all sums of money due to the existing Regional Centre immediately before that date shall be deemed to be due to the Regional Centre;

(f) all suits and other legal proceedings instituted or which could have been instituted by or against the existing Regional Centre immediately before that date may be continued or may be instituted by or against the Regional Centre;

(g) every employee (including those appointed for imparting instruction or giving training or conducting research in the existing Regional Centre), holding any office under the existing Regional Centre or teaching therein immediately before the commencement of this Act shall hold his office in the Regional Centre or continue teaching therein by the same tenure and upon the same terms and conditions of service as respects remuneration, leave, provident fund, retirement and other terminal benefits as he would have held such office if this Act had not been enacted and shall continue to do so as an employee of the Regional Centre or until the expiry of the period of six months from that date if such employee opts not to be the employee of the Regional Centre within such period.

14 of 1947.

(2) Notwithstanding anything in the Industrial Disputes Act, 1947 or in any other law for the time being in force, absorption of any employee by the Regional Centre in its regular service under this section shall not entitle such employee to any compensation under that Act or any other law and no such claim shall be entertained by any court, tribunal or other authority.

6. The jurisdiction of the Regional Centre shall extend to whole of India and to such centres and specialised laboratories or other units for research, development and instruction, established by the Regional Centre within or outside India.

Jurisdiction.

7. The objectives of the Regional Centre shall be—

Objectives of Regional Centre.

(a) to disseminate and to advance knowledge by providing instructional and research facilities in such branches of biotechnology and related fields as it may deem fit including technology policy development;

(b) to provide capacity-building through education, training, research and development in biotechnology and related academic fields for sustainable development objectives through regional and international cooperation;

(c) to facilitate transfer of knowledge and technology relating to biotechnology at the regional level;

(d) to create a hub of biotechnology expertise and to address human resources needs in the countries in the region;

(e) to promote and strengthen international co-operation to improve the social and economic conditions and welfare of the people;

(f) to promote and facilitate a network of satellite centres in the region as well as within India.

Functions of  
Regional  
Centre.

**8.** The functions of the Regional Centre, shall be—

(a) to establish infrastructure and technology platforms which are directly relevant to biotechnology education, training and research;

(b) to execute educational and training activities including grant of degrees in education and research in biotechnology and related fields;

(c) to produce human resource tailored to drive innovation in biotechnology, particularly in areas of new opportunities and to fill talent gap in deficient areas;

(d) to undertake research and development and scientific investigations in collaboration with relevant research centre's in the region;

(e) to hold scientific symposia and conferences within India or in the region or outside the region and to conduct short-term and long-term training courses and workshops in all areas of biotechnology;

(f) to collect universally available information with a view to setting up data banks for bio-information;

(g) to collect and disseminate, through networking, the relevant local knowledge in the field of biotechnology, ensuring protection of intellectual property rights of local stakeholder communities;

(h) to develop and implement a policy for intellectual property rights which is equitable and just to the stakeholders involved in research in the Regional Centre;

(i) to disseminate the outcome of research activities in different countries through the publication of books and articles;

(j) to promote collaborative research and development networking programme in specific areas of biotechnology with national, regional and international networks and promote exchange of scientists, at the regional level having regard to issues pertaining to intellectual property rights of collaborating institutions promoting equitable sharing of benefits with collaborating institutions.

Regional  
Centre to  
work in  
collaboration  
with other  
institutions  
of UNESCO.  
Powers of  
Regional  
Centre.

**9.** The Regional Centre shall pursue its objects and discharge its functions in close collaboration with other national, regional and international institutions of the UNESCO.

**10. (1)** The Regional Centre shall have the following powers, namely:—

(a) to provide for masters degree (including integrated programmes leading to masters degree), post-graduate diploma and doctoral degrees in biotechnology and related subjects at the interface of varied disciplines including physical, chemical,

biological, medical, agricultural and engineering and other relevant sciences, as may be determined by the Regional Centre, from time to time;

(b) to provide for short-term and long-term training courses in biotechnology on specific issues related to the development, extension, implementation and regulation of biotechnology and related areas, as may be specified by Statutes, from time to time;

(c) to organise and undertake extramural studies, training and extension services in biotechnology;

(d) to confer honorary degrees or other academic distinctions referred to in clause (a), in the manner specified by the Statutes;

(e) to institute Professorships, Associate Professorships, Assistant Professorships and other academic positions required by the Regional Centre and to appoint persons to such Professorships, Associate Professorships, Assistant Professorships or other academic positions;

(f) to recognise an institution of higher learning within India for the purposes of this Act and to withdraw such recognition in accordance with the norms laid down in the Statutes;

(g) to appoint persons working in any other institution, including those located outside the country, as academic staff of the Regional Centre for such period as may be specified by the Statutes;

(h) to create administrative, technical and other posts and to make appointments thereto, as may be specified by Statutes;

(i) to co-operate or collaborate or associate with any institution, including those located outside the country, in such manner as may be specified and for such purposes as may be determined or agreed upon by the Regional Centre;

(j) to establish and maintain centres and specialised laboratories or other units for research, development and instruction in India or outside India, as may be determined by the Statutes from time to time;

(k) to institute and award fellowships, scholarships, studentships, medals and prizes as may be specified by the Statutes;

(l) to make provision for research and advisory services and for that purpose to enter into such agreements with other institutions, industrial or other organisations, including those located outside the country as may be specified by the Statutes;

(m) to organise and conduct refresher courses, workshops, seminars and other programmes for teachers, evaluators and other stakeholders;

(n) to appoint visiting Professors, Professors of Eminence, Honorary Professors, Adjunct Professors, Emeritus Professors, Consultants and such other persons who may contribute to the advancement and objects of the Regional Centre;

(o) to determine standards of admission to the Regional Centre, including examination, evaluation or any other method of testing;

(p) to fix, demand and receive payment of fees and other charges;

(q) to establish, recognise, maintain and manage halls or residences of students of the Regional Centre and other accommodation for students and to withdraw any such recognition;

(r) to lay down conditions of service of all categories of employees, including their code of conduct;

(s) to regulate and enforce discipline among the students and the employees, and to take such disciplinary measures in this regard as may be deemed by the Regional Centre to be necessary;

(t) to make arrangements for promoting the health and general welfare of the students and employees of the Regional Centre;

(u) to receive benefactions, donations and gifts and to acquire, hold and manage, and dispose of, with the prior approval of the Central Government, any property, movable or immovable, including trust and endowment properties, for the purposes or objectives of the Regional Centre;

(v) to borrow money, with the prior approval of the Central Government on the security of the property of the Regional Centre; and

(w) to do all such other acts and things as may be necessary in furtherance of the objects specified in section 7.

(2) In exercising its powers under sub-section (1), it shall be the endeavour of the Regional Centre to maintain high standards of education, training and research and the Regional Centre shall, among other measures which may be necessary for the said purpose, take, in particular, the following measures, namely:—

(a) conduct innovative courses and programmes of studies with a provision for periodic review and restructuring; and

(b) promote *e*-governance with an effective management information system.

Regional  
Centre open  
to all castes,  
creed, race or  
class.

**11.** The Regional Centre or any institution recognised by it shall be open to persons of either sex and whatever caste, creed, race, ethnicity, nationality or class, and it shall not be lawful for the Regional Centre or such institution to adopt or impose on any person, any test whatsoever of religious belief or profession in order to entitle him to be appointed as a member of the academic staff of the Regional Centre or such institution or to hold any other office therein or to be admitted as a student in the Regional Centre or such institution or to enjoy or exercise any privilege thereof.

Privileges and  
immunities of  
Regional  
Centre.

**12.** The Regional Centre or persons attending the meetings of the Regional Centre shall enjoy such privileges and immunities as the Central Government may grant, pursuant to agreement entered into between the UNESCO and the Government of India from time to time concerning the Regional Centre.

Authorities  
of Regional  
Centre.

**13.** The following shall be the authorities of the Regional Centre, namely:—

(i) the Board of Governors;

(ii) the Programme Advisory Committee;

(iii) the Executive Committee;

(iv) the Finance Committee;

(v) the Board of Studies; and

(vi) such other authorities as may be declared by the Statutes to be the authorities of the Regional Centre.

Board of  
Governors.

**14.** (1) There shall be a Board of Governors which shall be responsible for the governance of the Regional Centre.

(2) The Board shall be the apex body of the Regional Centre and shall consist of the following members, namely:—

(a) Secretary to the Government of India in the Ministry of Science and Technology, Department of Biotechnology—*ex officio* Chairperson;



(b) three eminent scientists in the relevant field not below the rank of Joint Secretary to the Government of India or equivalent, out of whom at least one shall be a woman, to be nominated by the Central Government— *ex officio* members;

(c) a representative of the Director-General of UNESCO;

(d) two representatives from amongst the other member States of UNESCO, who substantially contribute resources to the running of the Regional Centre, in such manner as may be specified by the Statutes—members.

(2) The Chairperson of the Programme Advisory Committee shall be a permanent invitee of the Board.

(3) The Executive Director of the Regional Centre shall be the Convenor of the meetings of the Board.

(4) The Chairperson shall ordinarily preside over the meetings of the Board.

(5) The Board shall meet at least once in a year and at such times as the Chairperson may decide in such manner as may be specified by the Statutes.

(6) The term of office of the members of the Board, other than *ex officio* members, shall be such as may be specified by the Statutes.

(7) Subject to the provisions of this Act and the Statutes and the Ordinances made thereunder, the Board may regulate its own procedure (including quorum) for the conduct of meetings and transacting business.

**15.** Subject to the provisions of this Act, the Board shall have the following powers and functions, namely:—

Powers and functions of Board.

(a) to approve the annual plan and budget of the Regional Centre;

(b) to review, from time to time, the broad policies and programmes of the Regional Centre, and to suggest measures for the improvement and development of the Regional Centre;

(c) to consider the annual report and the annual accounts of the Regional Centre and the audit report on such accounts;

(d) to study and approve the internal procedures, including financial procedure and staff regulations of the Regional Centre;

(e) to approve the organisational structure and number of academic staff and other employees at the Regional Centre;

(f) to convene special consultative sessions of its members, to which it may invite representatives of other interested countries and international organisations in order to obtain proposals for strengthening the scope of services of the Regional Centre;

(g) to carry out projects and activities relevant to the Regional Centre, and to expand the fund-raising strategy and capabilities; and

(h) to frame the Statutes.

**16.** (1) The Chairperson shall exercise such powers and discharge such functions as may be delegated to him by the Board or as may be specified by the Statutes.

Powers and functions of Chairperson.

(2) If for any reason, the Chairperson is unable to attend any meeting of the Board, any member of the Board nominated by the Chairperson shall preside over the meeting.

**17.** (1) The Programme Advisory Committee shall be the principal academic body of the Regional Centre and shall, subject to the provisions of this Act, advice planning, execution, review and monitoring of the scientific and academic programmes of the Regional Centre.

Programme Advisory Committee.

(2) The Programme Advisory Committee shall consist of the following members, namely:—

(a) a Chairperson of the Programme Advisory Committee to be nominated by the Board;

(b) two members to be nominated by the UNESCO;

(c) three members to be nominated by rotation, from amongst the member States of UNESCO which provide maximum financial assistance;

(d) two members having expertise and experience in biotechnology policy and legal matters to be nominated by the Central Government;

(e) six members from amongst the persons being renowned scientist or academician, to be nominated by the Board.

(3) The Executive Director shall be the Member-Secretary, *ex officio*, to the Programme Advisory Committee.

(4) The Programme Advisory Committee shall be responsible for—

(a) making recommendations on matters of planning and coordinating of the education, training and research activities;

(b) recommending modifications or revision of education, training and research programmes of the Regional Centre and submitting reports thereon;

(c) reviewing annually the programmes of the Regional Centre, evaluating its progress and submitting the reports thereon;

(d) publishing reports on any matter concerning scientific and technical issues referred to it by the Board or by the Executive Director;

(e) performing all such duties and to do all such acts as may be necessary for furtherance of education, training and research under this Act;

(f) framing the Ordinances; and

(g) performing such other functions as may be specified by the Statutes.

(5) The fees and allowances payable to members of the Programme Advisory Committee and their term of office shall be such as may be specified by the Statutes.

(6) Subject to the provisions of this Act and the Statutes and Ordinances made thereunder, the Programme Advisory Committee may regulate its own procedure (including quorum) for the conduct of meetings and transacting of its business:

Provided that the Programme Advisory Committee shall place the minutes of its meetings before the Board of Governors.

Executive  
Committee.

**18.** (1) The Executive Committee shall be responsible for management of the Regional Centre and implementation of policies and decisions of the Board relating to management.

(2) The constitution, powers and functions of the Executive Committee and the term of office of its members shall be such as may be specified by the Statutes.

Finance  
Committee.

**19.** (1) The Finance Committee shall review finances, consider the annual budget estimates, the statements of accounts and the audit reports and make recommendations thereon, to the Board.

(2) The constitution, powers and functions of the Finance Committee and the term of office of its members shall be such as may be specified by the Statutes.

- 20.** The constitution, powers and functions of other authorities referred to in clause (vi) of section 13, and the term of office of its members shall be such as may be specified by the Statutes. Other authorities of Regional Centre.
- 21.** The constitution, powers and functions of the Board of Studies and the term of office of its members shall be such as may be specified by the Statutes. Board of Studies.
- 22.** The following shall be the officers of the Regional Centre, namely:— Officers of Regional Centre.
- (i) Executive Director;
  - (ii) Deans;
  - (iii) Sub-Deans;
  - (iv) Associate Director (Administration);
  - (v) Registrar;
  - (vi) Finance Officer; and
  - (vii) such other officers as may be declared by the Statutes to be the officers of the Regional Centre.
- 23.** (1) The Executive Director shall be appointed on the recommendation of the Board in such manner and on such terms and conditions of service, as may be specified by the Statutes. Executive Director.
- (2) The Executive Director shall—
- (a) be the principal executive and academic officer of the Regional Centre;
  - (b) direct the work of the Regional Centre in conformity with the programmes and directives established by the Board;
  - (c) propose the draft work plan and budget to be submitted to the Board;
  - (d) prepare the agenda for the sessions of the Board;
  - (e) prepare reports on the Regional Centre's activities for submission to the Board; and
  - (f) exercise such other powers and perform such other functions as may be specified by the Statutes.
- (3) The financial powers delegated to the Executive Director by the Board shall be such as may be specified by the Statutes.
- (4) The Executive Director may, if he is of the opinion that immediate action is necessary on any matter, exercise any power conferred on any authority of the Regional Centre by or under this Act and shall report to such authority at its next meeting the action taken by him on such matter.
- 24.** The Deans and Sub-Deans shall be appointed in such manner and on such terms and conditions of service, and shall exercise such powers and perform such duties, as may be specified by the Statutes. Deans and Sub-Deans.
- 25.** (1) The Associate Director (Administration) shall be appointed in such manner, and on such terms and conditions of service, as may be specified by the Statutes. Associate Director (Administration).
- (2) The Associate Director (Administration) shall have the power to enter into agreements, sign documents and authenticate records on behalf of the Regional Centre and shall exercise such powers and perform such duties, as may be specified by the Statutes.

Registrar. **26.** The Registrar shall be appointed in such manner and on such terms and conditions of service and shall exercise such powers and perform such duties, as may be specified by the Statutes.

Finance Officer. **27.** The Finance officer shall be appointed in such manner and on such terms and conditions of service and shall exercise such powers and perform such duties, as may be specified by the Statutes.

Other officers. **28.** The manner of appointment and powers and duties and terms and conditions of service of other officers of the Regional Centre, referred to in clause (vii) of section 22, shall be such as may be specified by the Statutes.

Grants and Loans to Regional Centre. **29.** The Central Government may, after due appropriation made by Parliament by law, in this behalf, make to the Regional Centre grants and loans of such sums of money and in such manner as that Government may consider necessary for being utilised for the fulfilment of the objects and purposes of this Act.

Fund of Regional Centre. **30. (1)** The Regional Centre shall maintain a Fund to which shall be credited—  
 (a) all moneys provided by the Central Government;  
 (b) all fees and other charges received by the Regional Centre;  
 (c) all moneys received by the Regional Centre by way of grants, gifts, donations, benefactions, bequests or transfers; and  
 (d) all moneys received by the Regional Centre in any other manner or from any other source.

(2) All moneys credited to the Fund shall be deposited in such banks or invested in such manner as the Regional Centre may, with the approval of the Central Government, decide.

(3) The fund shall be applied for meeting—

(a) the fees and allowances payable to the Chairperson and members of the Board or Chairperson of the Programme Advisory Committee and members of the other committees and the salaries, allowances and other remunerations payable to the academic staff, officers and other employees of the Regional Centre;

(b) the expenses of the Regional Centre in the discharge of its functions and for the fulfilment of its objects and for purposes as envisaged under this Act.

Annual report. **31. (1)** The annual report of the Regional Centre shall be prepared under the directions of the Executive Director, which shall include, among other matters, the steps taken by the Regional Centre towards the fulfilment of its objectives and shall be submitted to the Board on or before such date as may be specified by the Statutes and the Board shall consider the report in its annual meeting.

(2) A copy of the annual report, as prepared under sub-section (1), shall be submitted to the Central Government, which shall, as soon as may be, cause the same to be laid before both Houses of Parliament.

Annual accounts. **32. (1)** The annual accounts and the balance sheet of the Regional Centre shall be prepared under the directions of the Board and shall, once at least every year, and at intervals of not more than fifteen months, be audited by the Comptroller and Auditor-General of India.

(2) A copy of the accounts together with the audit report shall be submitted to the Central Government along with the observations, if any, of the Board.

(3) A copy of the annual report and annual accounts together with the audit report, shall be submitted to the Central Government which shall, as soon as may be, cause the same to be laid before each House of Parliament.

(4) The audited annual accounts, after having been laid before both Houses of Parliament, shall be published in the Official Gazette.

**33.** The Regional Centre shall furnish to the Central Government such returns or other information with respect to its property or activities as the Central Government may, from time to time, require, within such period as may be specified by the Central Government.

Returns and information.

**34.** (1) There shall be a review of the functioning of the Regional Centre once in every four years by persons of eminence to be appointed by the Central Government.

Review of functioning of Regional Centre.

(2) The Regional Centre shall meet the expenses for conducting the review under sub-section (1) and upon receipt of the report of such review, the Board may take appropriate action.

(3) In addition to the review under sub-section (1), the Board may conduct review of functioning of administrative and academic wings of the Regional Centre, in such manner and at such intervals, as may be specified by the Statutes.

**35.** (1) All appointments of employees of the Regional Centre shall be made in accordance with the procedure laid down in the Statutes, by—

Appointment and conditions of service of employees of Regional Centre.

(a) the Board of Governors for the Executive Director, Deans and Sub-Deans;

(b) the Executive Director, in any other case.

(2) The terms and conditions of service of the employees of the Regional Centre, other than the officers referred to in clause (vii) of section 22, shall be such as may be specified by the Statutes.

(3) The terms and conditions of service of the academic staff shall be consistent with such staff engaged in higher education and research at Central Universities.

**36.** The meetings of the Board, Programme Advisory Committee, Executive Committee or other committees constituted by the Regional Centre may be held using contemporary tools of information and communication technologies (including video conferencing) without the members necessarily having to be physically present.

Meetings.

**37.** All casual vacancies among the members (other than *ex officio* members) of the authorities under section 13 shall be filled, as soon as may be, by the person or body who appoints, elects or co-opts the member whose place has become vacant and the person appointed, elected or co-opted to a casual vacancy shall be a member of such authority for the residue of the term for which the person whose place he fills would have been a member.

Filling of casual vacancies.

**38.** No act or proceedings of any authority of the Regional Centre shall be invalid merely by reason of the existence of a vacancy or vacancies among its members.

Proceedings of authorities not invalidated by vacancies.

**39.** No suit or other legal proceedings shall lie against any officer or employee of the Regional Centre for anything which is in good faith done or intended to be done in pursuance of any of the provisions of this Act or the Statutes, Ordinances or the Regulations made thereunder.

Protection of action taken in good faith.

**40.** Any dispute arising between the Regional Centre and any of its employees shall, at the first instance, be resolved through such grievance redressal mechanism as may be specified by the Statutes.

Arbitration

**41.** (1) The Statutes of the Regional Centre shall be framed by the Board of Governors.

Power to make Statutes.

(2) Without prejudice to the provisions contained in sub-section (1), the Executive Committee may make recommendations for framing of Statutes to the Board.

(3) Subject to the provisions of this Act, the Statutes may provide for all or any of the following matters, namely:—

(a) to provide for short-term and long-term training courses in biotechnology on specific issues related to the development, extension, implementation and regulation of biotechnology and related areas, from time to time under clause (b) of sub-section (1) of section 10;

(b) the manner of conferring honorary degrees or other distinctions under clause (d) of sub-section (1) of section 10;

(c) the norms for recognition of an institution of higher learning within India and to withdraw such recognition under clause (f) of sub-section (1) of section 10;

(d) period for appointment of persons working in any other institution, including those located outside the country, as academic staff of the Regional Centre under clause (g) of sub-section (1) of section 10;

(e) to create administrative, technical and other posts under clause (h) of sub-section (1) of section 10;

(f) the manner and purposes of co-operation or collaboration or association with any institution, including those located outside the country, under clause (i) of sub-section (1) of section 10;

(g) to establish and maintain centres and specialised laboratories or other units for research, development and instruction in India or outside India, clause (j) of sub-section (1) of section 10;

(h) to institute and award fellowships, scholarships, studentships, medals and prizes, under clause (k) of sub-section (1) of section 10;

(i) the manner of entering into agreements with other institutions, industrial or other organisations, including those located outside the country, for research and advisory services under clause (l) of sub-section (1) of section 10;

(j) to declare other authorities to be the authorities of the Regional Centre under clause (vi) of section 13;

(k) the manner of appointment of representatives from amongst the member States of UNESCO, under clause (d) of sub-section (2) of section 14;

(l) the time and manner in which the Board shall meet under sub-section (5) of section 14;

(m) the term of office of the members of the Board, under sub-section (6) of section 14;

(n) such other powers and functions of the Chairperson under sub-section (1) of section 16;

(o) such other functions of the Programme Advisory Committee under clause (g) of sub-section (4) of section 17;

(p) the fees and allowances payable to members of the Programme Advisory Committee and their term of office under sub-section (5) of section 17;

(q) the constitution, powers and functions and the term of office of members of the Executive Committee under sub-section (2) of section 18;

(r) the constitution, powers and functions and term of office of members of the Finance Committee under sub-section (2) of section 19;

(s) the constitution, powers and functions and term of office of members of other authorities under section 20;

(*t*) the constitution, powers and functions and term of office of members of the Board of Studies under section 21;

(*u*) the other officers as may be declared to be the officers of the Regional Centre under clause (*vii*) of section 22;

(*v*) the manner of appointment and terms and conditions of service of the Executive Director under sub-section (*1*) of section 23;

(*w*) the other powers and functions of the Executive Director under clause (*f*) of sub-section (*2*) of section 23;

(*x*) the financial powers to be delegated to the Executive Director by the Board under sub-section (*3*) of section 23;

(*y*) the manner of appointment, terms and conditions of service and powers and duties of the Deans and Sub-Deans under section 24;

(*z*) the manner of appointment and terms and conditions of service of the Associate Director (Administration) under sub-section (*1*) and powers and duties to be performed by him under sub-section (*2*) of section 25;

(*za*) the manner of appointment, terms and conditions of service and powers and duties of the Registrar under section 26;

(*zb*) the manner of appointment, terms and conditions of service and powers and duties of the Finance officer under section 27;

(*zc*) the manner of appointment, powers and duties and terms and conditions of service of other officers of the Regional Centre under section 28;

(*zd*) the time for submission of the annual report of the Regional Centre to the Board under sub-section (*1*) of section 31;

(*ze*) the manner and frequency of conducting review of the functioning of administrative and academic wings of the Regional Centre by the Board under sub-section (*3*) of section 34;

(*zf*) the procedure for appointment of employees of the Regional Centre under sub-section (*1*) and their terms and conditions of service under sub-section (*2*) of section 35;

(*zg*) the grievance redressal mechanism for resolution of disputes arising between the Regional Centre and any of its employees under section 40;

(*zh*) the manner of making regulations by the authorities of the Regional Centre under section 43; and

(*zi*) any other matter which may be required or necessary for the purposes of this Act.

**42.** (*1*) Save as otherwise provided in this Act, the Ordinances of the Regional Centre shall be made by the Programme Advisory Committee.

Power to  
make  
Ordinances.

(*2*) Subject to the provisions of this Act and the Statutes made thereunder, the Ordinances of the Regional Centre may provide for all or any of the following matters, namely:—

(*a*) admission of students from within India and from the region to the Regional Centre and their enrolment as such;

(*b*) the course of study;



(c) the conditions under which students shall be admitted to the examinations of the Regional Centre and shall be eligible for the degrees, diplomas and certificates;

(d) the conditions for award of fellowships, scholarships, medals and prizes;

(e) the conditions and manner of appointment, term and duties of examining bodies, examiners and moderators;

(f) the conduct of examinations;

(g) the conditions of residence of students of the Regional Centre;

(h) the maintenance of discipline among the employees and students;

(i) the courses of study to be laid down for all degrees, diplomas and certificates of the Regional Centre including the medium of instruction and examination;

(j) the award of degrees and other academic distinctions, and the manner of granting and obtaining of the same;

(k) the withdrawal of degrees, diplomas, certificates and other academic distinctions;

(l) the fees to be charged for courses of study and for admission to examinations, degrees and diplomas of the Regional Centre;

(m) the special arrangements, if any, which may be made for the residence and teaching of women students and prescribing of special courses of studies for them;

(n) the establishment, management, recognition and abolition of centres of studies, schools, departments, specialised laboratories, halls and institutions; and

(o) any other matter which by this Act or the Statutes, is to be, or may be, provided for by the Ordinances.

Regulations.

**43.** The authorities of the Regional Centre may make Regulations, consistent with the provisions of this Act, the Statutes and the Ordinances for the conduct of their own business and that of the Committees, if any, appointed by them and not provided for by this Act, the Statutes or the Ordinances, in the manner specified by the Statutes.

Statutes,  
Ordinances  
and  
Regulations  
to be  
published in  
the Official  
Gazette and  
to be laid  
before  
Parliament.

**44.** (1) Every Statute, Ordinance or Regulation made under this Act shall be published in the Official Gazette.

(2) Every Statute or Ordinance or Regulation made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the Statute or Ordinance or Regulation or both Houses agree that the Statute or Ordinance or Regulation should not be made, the Statute or Ordinance or Regulation shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that Statute or Ordinance or Regulation.

Power to  
make Statutes  
or Ordinances  
or Regula-  
tions  
retrospec-  
tively.

**45.** The power to make Statutes or Ordinances or Regulations under section 41 or section 42 or section 43, as the case may be, shall include the power to give retrospective effect, from a date not earlier than the date of commencement of this Act, to the Statutes or Ordinances or Regulations or any of them but no retrospective effect shall be given to any Statutes or Ordinances or Regulations so as to prejudicially affect the interests of any person to whom such Statutes or Ordinances or Regulations may be applicable.



**46.** (1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order published in the Official Gazette, make such provisions, not inconsistent with the provisions of this Act, as appears to it to be necessary or expedient for removing the difficulty:

Power to  
remove  
difficulties.

Provided that no such order shall be made under this section after the expiry of two years from the commencement of this Act.

(2) Every order made under this section shall be laid, as soon as may be after it is made, before each House of Parliament.

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The above Bill has been passed by the Houses of Parliament.

*Dated the*

*Chairman.*

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I assent to this Bill.

*Dated the*

*President.*



**Assented to on 29th July, 2016**  
**Act No. 37 of 2016**

THE LOKPAL AND LOKAYUKTAS (AMENDMENT) ACT, 2016

AN

ACT

*An Act to amend the Lokpal and Lokayuktas Act, 2013.*

BE it enacted by Parliament in the Sixty-seventh Year of the Republic of India as follows:—

**1.** (1) This Act may be called the Lokpal and Lokayuktas (Amendment) Act, 2016.

Short title and  
commencement.

(2) It shall be deemed to have come into force on the 16th day of January, 2014.

1 of 2014.

**2.** On and from the date of commencement of the Lokpal and Lokayuktas Act, 2013 (hereinafter referred to as the principal Act), for section 44, the following section shall be substituted, and shall be deemed to have been substituted, namely:—

Amendment of  
section 44.

"44. On and from the date of commencement of this Act, every public servant shall make a declaration of his assets and liabilities in such form and manner as may be prescribed."

Declaration of  
assets.

Amendment of  
section 59.

3. On and from the date of commencement of the principal Act, in section 59, in subsection (2), for clause (k), the following clause shall be substituted, and shall be deemed to have been substituted, namely:—

"(k) the form and manner of declaration of assets and liabilities by public servants under section 44:

Provided that the rules may be made under this clause retrospectively from the date on which the provisions of this Act came into force;"

\_\_\_\_\_

The above Bill has been passed by the Houses of Parliament.

*Dated the*

*Chairman.*

\_\_\_\_\_

I assent to this Bill.

*Dated the*

*President.*

## THE COMPENSATORY AFFORESTATION FUND ACT, 2016

## ARRANGEMENT OF SECTION

## CHAPTER I

## PRELIMINARY

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2. Definitions.

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AFFORESTATION FUND AND STATE COMPENSATORY AFFORESTATION FUNDS

3. Establishment of National Fund.
4. Establishment of State Fund.
5. Disbursement and utilization of National Fund.
6. Disbursement and utilization of State Fund.
7. Accounting procedure.

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## CONSTITUTION OF NATIONAL AUTHORITY AND STATE AUTHORITIES

8. Constitution of National Authority.
9. Executive committee and monitoring group of National Authority.
10. Constitution of State Authority.
11. Steering committee and executive committee of State Authority.
12. Term of office and conditions of service of members.
13. Disqualifications.

## CHAPTER IV

## POWERS AND FUNCTIONS OF NATIONAL AUTHORITY AND STATE AUTHORITIES

14. Powers and functions of National Authority.
15. Powers and functions of executive committee of National Authority.
16. Functions of monitoring group.
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19. Functions and powers of executive committee of State Authority.

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## FINANCE, ACCOUNTS, AUDIT AND ANNUAL REPORT

20. Budget of National Authority.
21. Investment of funds by National Authority.
22. Accounts and audit of National Authority.
23. Annual report of National Authority.
24. Annual report and audit report of National Authority to be laid before Parliament.
25. Budget of State Authority.
26. Investment of funds by State Authority.
27. Accounts and audit of State Authority.
28. Annual report of State Authority.
29. Annual report and audit report of State Authority to be laid before State Legislature.

## CHAPTER VI

## MISCELLANEOUS

30. Power to make rules.
31. Transfer of assets, liabilities, etc.
32. Validation.
33. Power of Central Government to issue directions.

**Assented to on 3rd August, 2016**  
**Act No. 38 of 2016**

THE COMPENSATORY AFFORESTATION FUND ACT, 2016

AN

ACT

to provide for the establishment of funds under the public accounts of India and the public accounts of each State and crediting thereto the monies received from the user agencies towards compensatory afforestation, additional compensatory afforestation, penal compensatory afforestation, net present value and all other amounts recovered from such agencies under the Forest (Conservation) Act, 1980; constitution of an authority at national level and at each of the State and Union Territory Administration for administration of the funds and to utilise the monies so collected for undertaking artificial regeneration (plantations), assisted natural regeneration, protection of forests, forest related infrastructure development, Green India Programme, wildlife protection and other related activities and for matters connected therewith or incidental thereto.

WHEREAS the Supreme Court in its order in T.N. Godavarman Thirumulpad vs. Union of India and Others [Writ Petition (Civil) No. 202 of 1995], dated the 30th October, 2002, observed that a Compensatory Afforestation Fund be created in which all the monies received from the user agencies towards compensatory afforestation, additional compensatory afforestation, penal compensatory afforestation, net present value of the diverted forest land or catchment area treatment plan shall be deposited;

AND WHEREAS it had also been observed that the money received from the user agencies in cases where forest land diverted falls within protected areas, that is, the areas notified under the Wild Life (Protection) Act, 1972 for undertaking activities related to protection of biodiversity or wildlife shall also be deposited in the Fund;

35 of 1972.

AND WHEREAS the Supreme Court has directed that, besides artificial regeneration (Plantations), the Fund shall also be utilised for undertaking assisted natural regeneration, protection of forests, infrastructure development, wildlife protection and other related activities and an independent system of concurrent monitoring and evaluation should be evolved and implemented through the Compensatory Afforestation Fund to ensure effective and proper utilisation of funds;

AND WHEREAS the Supreme Court in its judgment dated 26th September, 2005 in the said Writ Petition observed that the Fund generated for protecting ecology and providing regeneration should not be treated as a Fund under article 266 and article 283 of the Constitution;

AND WHEREAS in its direction dated the 5th May, 2006, the Supreme Court had directed that since the Government has not constituted a Compensatory Afforestation Fund Management and Planning Authority (hereinafter referred to as Authority), an *ad hoc* Authority should be constituted till the Compensatory Afforestation Fund Management and Planning Authority becomes operational and directed to centrally pool the money recovered on behalf of the said Authority lying in the States and Union territories into the *ad hoc* Compensatory Afforestation Fund Management and Planning Authority;

AND WHEREAS Central Government formulated guidelines dated the 2nd July, 2009 on the subject of State Authority for utilisation of funds lying with the *ad hoc* Authority;

AND WHEREAS in its direction dated the 10th July, 2009, the Supreme Court had directed that the guidelines and structure of the State Authority prepared by the Central Government may be notified and implemented;

AND WHEREAS in its directions dated the 10th July, 2009, the Supreme Court further directed that till an alternative system is put in place, after obtaining permission from the Supreme Court, the money towards compensatory afforestation, net present value and protected areas (national parks, wildlife sanctuaries) shall continue to be deposited in the *ad hoc* Authority;

AND WHEREAS in compliance of the directions of the Supreme Court including its order dated the 5th May, 2006, over rupees thirty eight thousand crores as collected by the State Governments and Union territory Administrations have been placed under the *ad hoc* Authority, and deposited in the nationalised banks;

AND WHEREAS absence of permanent institutional mechanism for utilisation of funds collected by the State Governments and Union territory Administrations is the main reason for accumulation of huge unspent funds in the *ad hoc* Authority;

NOW, THEREFORE, based on the above orders, directions and observations of the Supreme Court to ensure safety, security and expeditious utilisation in a transparent manner of funds accumulated with the *ad hoc* Authority and the funds to be collected by the State Governments and Union territory Administrations, it is proposed to create a National Compensatory Afforestation Fund and a National Compensatory Afforestation Fund Management and Planning Authority at the national level, and a State Compensatory Afforestation Fund and a State Compensatory Afforestation Fund Management and Planning Authority in each State and Union territory, by an Act of Parliament.



BE it enacted by Parliament in the Sixty-seventh Year of the Republic of India as follows:—

## CHAPTER I

### PRELIMINARY

1. (1) This Act may be called the Compensatory Afforestation Fund Act, 2016.

Short title,  
extent and  
commencement.

(2) It extends to the whole of India except the State of Jammu and Kashmir.

(3) Save as otherwise provided in this Act, it shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. In this Act, unless the context otherwise requires,—

Definitions.

(a) “*ad hoc* Authority” means the *ad hoc* Compensatory Afforestation Fund Management and Planning Authority constituted under the order dated the 5th May, 2006 of the Supreme Court in T.N. Godavarman Thirumulpad vs. Union of India and Others, [Writ Petition (Civil) No. 202 of 1995];

(b) “Chairperson, National Authority” means the Chairperson of the governing body of the National Authority;

(c) “Chairperson, State Authority” means the Chairperson of the governing body of the State Authority;

69 of 1980.

(d) “compensatory afforestation” means afforestation done in lieu of the diversion of forest land for non-forestry use under the Forest (Conservation) Act, 1980;

(e) “environmental services” includes—

(i) provision of goods such as wood, non-timber forest products, fuel, fodder, water and provision of services such as grazing, tourism, wildlife protection and life support;

(ii) regulating services such as flood moderation, carbon sequestration and health of soil, air and water regimes;

(iii) supporting such other services necessary for the production of ecosystem services, biodiversity, nutrient cycling and primary production including pollination and seed dispersal;

69 of 1980.

(f) “Head of the regional office” means the senior-most officer appointed by the Central Government at regional office to deal with the forest conservation matters under the Forest (Conservation) Act, 1980;

(g) “monitoring group” means a group of experts to monitor the activities undertaken from amounts released from the National Fund and State Fund constituted under sub-section (3) of section 9;

(h) “National Authority” means National Compensatory Afforestation Fund Management and Planning Authority constituted under section 8;

(i) “National Fund” means the National Compensatory Afforestation Fund established under sub-section (1) of section 3;

(j) “net present value” means the quantification of the environmental services provided for the forest area diverted for non-forestry uses, as may be determined by an expert committee appointed by the Central Government from time to time in this regard;

69 of 1980.

(k) “penal compensatory afforestation” means afforestation work to be undertaken over and above the compensatory afforestation specified in the guidelines issued under the Forest (Conservation) Act, 1980, in lieu of the extent of area over which non-forestry activities have been carried out without obtaining prior approval of the competent authority under the Forest (Conservation) Act, 1980;

(l) “prescribed” means prescribed by rules made by the Central Government in consultation with the State Governments under this Act;

(m) “State Authority” means the State Compensatory Afforestation Fund Management and Planning Authority constituted under section 10;

(n) “State Fund” means the State Compensatory Afforestation Fund established by each State under sub-section (1) of section 4;

(o) “State Government” includes Union territory Administration;

(p) “user agency” means any person, organisation or company or department of the Central Government or State Government making a request for diversion or de-notification of forest land for non-forest purpose or using forest land for non-forest purpose in accordance with the provisions contained in the Forest (Conservation) Act, 1980 and the rules made and guidelines issued, thereunder.

69 of 1980.

## CHAPTER II

### ESTABLISHMENT, MANAGEMENT AND UTILISATION OF NATIONAL COMPENSATORY AFFORESTATION FUND AND STATE COMPENSATORY AFFORESTATION FUNDS

Establishment  
of National  
Fund.

3. (1) With effect from such date as the Central Government may, by notification in the Official Gazette, appoint in this behalf, there shall be established for the purposes of this Act, a special Fund to be called the “National Compensatory Afforestation Fund” under the public account of India.

(2) The National Fund shall be under the control of the Central Government and managed by the National Authority in such manner as may be prescribed.

(3) On the date of establishment of the National Fund, all monies collected by the State Governments and Union territory Administrations which has been placed under the *ad hoc* Authority and deposited in the nationalised banks shall be transferred to the National Fund.

(4) There shall also be credited into the National Fund, by each State on yearly basis, ten per cent. of the funds realised from the user agencies in respect of the forest land diverted in their favour, which have been credited directly into the State Fund.

(5) There shall also be credited to the National Fund—

(a) grants-in-aid received, if any, by the National Authority;

(b) any loan taken or any borrowings made by the National Authority;

(c) any other sums received by the National Authority by way of benefaction, gift or donations.

(6) The monies received in the National Fund shall be an interest bearing fund under public accounts of India.

(7) The balance in the National Fund shall be non-lapsable and get interest as per the rate declared by the Central Government on year to year basis.

Establishment  
of State Fund.

4. (1) With effect from such date as each State Government may, by notification in the Official Gazette, appoint in this behalf, there shall be established for the purposes of this Act, a special Fund to be called the “State Compensatory Afforestation Fund-..... (name of State)” under public accounts of such State:

Provided that in case of Union territory having no legislature, such fund shall be established under the public account of Union of India with effect from such date as the Union territory Administration may, by notification in the Official Gazette, appoint in this behalf.

(2) The State Fund in each State shall be under the control of the State Government of such State and managed by the State Authority of such State, in such manner as may be prescribed.

(3) There shall be credited into the State Fund of a State—

(i) the unspent balance of all monies which has been transferred by *ad hoc* Authority to the State Compensatory Afforestation Compensatory Afforestation Funds

Management and Planning Authority constituted in such State in compliance of guidelines dated the 2nd July, 2009;

(ii) all monies transferable from the National Fund under clause (a) of section 5;

(iii) all monies realised from user agencies by such State towards compensatory afforestation, additional compensatory afforestation, penal compensatory afforestation, net present value, catchment area treatment plan or any money for compliance of conditions stipulated by the Central Government while according approval under the provisions of the Forest (Conservation) Act, 1980; and

69 of 1980.

(iv) the funds recoverable from user agencies by such State in cases where forest land diverted falls within the protected areas, that is, areas notified under sections 18, 26A or 35 of the Wild Life (Protection) Act, 1972 for undertaking activities relating to the protection of biodiversity and wildlife.

53 of 1972.

(4) A State Government may also credit to the State Fund constituted by it—

(i) grants-in-aid received, if any, by the State Authority;

(ii) any loan taken or any borrowings made by the State Authority;

(iii) any other sums received by the State Authority by way of benefaction, gift or donations.

(5) The monies received in the State Fund shall be an interest bearing fund under public accounts.

(6) The balance in each State Fund shall be non-lapsable and get interest as per the rate declared by the Central Government on year to year basis.

5. Save as otherwise provided in this Act, the monies available in the National Fund shall be disbursed and utilised in the following manner, namely:—

Disbursement  
and utilisation  
of National  
Fund.

(a) ninety per cent. of the all monies collected by a State, which has been placed under the *ad hoc* Authority and the interest accrued thereon, shall be transferred to the State Fund established in such state under sub-section (1) of section 4;

(b) the balance ten per cent. of all monies collected by the States and Union territory Administrations, which has been placed under the *ad hoc* Authority and the interest accrued thereon, and all fresh accrual to the National Fund, as provided in sub-section (4) of section 3, and the interest accrued thereon, shall be utilised for meeting—

(i) the non-recurring and recurring expenditure for the management of the National Authority including the salary and allowances payable to its officers and other employees;

(ii) the expenditure incurred on monitoring and evaluation of works executed by the National Authority and each State Authority;

(iii) the expenditure incurred on specific schemes approved by governing body of the National Authority.

*Explanation.*—For the purposes of this section, “scheme” includes any institute, society, centre of excellence in the field of forest and wildlife, pilot schemes, standardisation of codes and guidelines and such other related activities for the forestry and wildlife sector.

6. Save as otherwise provided in this Act, the monies available in a State Fund shall be disbursed and utilised in the following manner, namely:—

Disbursement  
and  
utilisation of  
State Fund.

(a) the money received for compensatory afforestation, additional compensatory afforestation, penal compensatory afforestation, catchment area treatment plan and

for any other site specific scheme may be used as per site-specific schemes submitted by the State along with the approved proposals for diversion of forest land under the Forest (Conservation) Act, 1980;

69 of 1980.

(b) the monies received towards net present value and penal net present value shall be used for artificial regeneration (plantation), assisted natural regeneration, forest management, forest protection, forest and wildlife related infrastructure development, wildlife protection and management, supply of wood and other forest produce saving devices and other allied activities in the manner as may be prescribed;

(c) the interest accrued on funds available in a State Fund and the interest accrued on all monies collected by the State Governments, which has been placed under the *ad hoc* Authority and deposited in the nationalised banks, in compliance of the directions of the Supreme Court dated the 5th May, 2006, shall be used for conservation and development of forest and wildlife in the manner as may be prescribed;

(d) all monies realised from the user agencies in accordance with the decision taken by the Standing Committee of the National Board for Wild Life constituted under section 5A of the Wild Life (Protection) Act, 1972 or the orders of the Supreme Court involving cases of diversion of forest land in protected areas shall form the corpus and the income therefrom shall be used exclusively for undertaking protection and conservation activities in protected areas of the State including facilitating voluntary relocation from such protected areas and in exceptional circumstance, a part of the corpus may also be used subject to prior approval of the National Authority;

35 of 1972.

(e) ten per cent. of amount realised from the user agencies, which has been credited directly into the State Fund in a year shall be transferred to the National Fund to meet expenditure as provided in clause (b) of section 5;

(f) the non-recurring and recurring expenditure for the management of a State Authority including the salary and allowances payable to its officers and other employees may be met from a part of the interest accrued on the amounts available in the State Fund, in the manner as may be prescribed;

(g) in case of trans-boundary forestry or environmental implication of diversion of forest land for non-forest purposes in a particular State, if found expedient and necessary by the National Authority, it may, in consultation with the concerned State Authorities order that such sum as may be justified for reparation of the trans-boundary effects, be transferred to State Fund of such State or States;

(h) State Authority shall release monies to agencies identified for execution of activities in pre-determined installments as per the annual plan of operation finalised by steering committee of such State Authority and executive committee of the National Authority.

Accounting  
procedure.

7. The accounting procedure to regulate the manner of crediting the monies to the National Fund and State Fund in a year shall be in such manner as may be prescribed.

### CHAPTER III

#### CONSTITUTION OF NATIONAL AUTHORITY AND STATE AUTHORITIES

Constitution  
of National  
Authority.

8. (1) With effect from such date as the Central Government may, by notification in the Official Gazette, appoint in this behalf, there shall be constituted a National Authority to be called the "National Compensatory Afforestation Fund Management and Planning Authority".

(2) The National Authority shall manage and utilise the National Fund for the purposes of this Act.

(3) The National Authority shall consist of a governing body and shall be assisted by an executive committee, monitoring group and administrative support mechanism.

(4) The governing body of the National Authority shall consist of the following, namely:—

(i) Minister for Environment, Forest and Climate Change, Government of India—Chairperson, *ex officio*;

(ii) Secretaries of Ministries dealing with Environment, Forest, Climate Change, Finance (Expenditure), Rural Development, Land Resources, Agriculture, Panchayati Raj, Tribal Development, Science, Technology, Space and Earth Sciences and Chief Executive Officer, National Institution for Transforming India Ayog, Government of India—Members, *ex officio*;

(iii) Director General of Forests and Special Secretary, Ministry of Environment, Forest and Climate Change, Government of India—Member, *ex officio*;

(iv) Additional Director General of Forests (Forest Conservation), Ministry of Environment, Forest and Climate Change, Government of India—Member, *ex officio*;

(v) Additional Director General of Forests (Wildlife), Ministry of Environment, Forest and Climate Change, Government of India—Member, *ex officio*;

(vi) Mission Director, National Mission for a Green India, Ministry of Environment, Forest and Climate Change, Government of India—Member, *ex officio*;

(vii) Financial Adviser, Ministry of Environment, Forest and Climate Change, Government of India—Member, *ex officio*;

(viii) five Principal Chief Conservator of Forests, not more than one from each of the ten regions, to be nominated by the Ministry of Environment, Forest and Climate Change, Government of India on rotation basis for a period of two years, at a time—Members, *ex officio*;

(ix) Inspector General of Forests (Forest Conservation), Ministry of Environment, Forest and Climate Change, Government of India—Member, *ex officio*;

(x) five experts, one each from environmentalists, conservationists, scientists, economists, and social scientists appointed by the Central Government for a period of two years subject to not more than two consecutive terms—Members.

(5) The Central Government may appoint an officer of the rank of an Additional Director General of Forests as the Chief Executive Officer of the National Authority who shall be the Member- Secretary of the governing body and the executive committee of the National Authority.

9. (1) The governing body of the National Authority shall, in performance of its functions and powers under the Act, be assisted by the executive committee and the monitoring group.

(2) The executive committee of the National Authority shall consist of the following, namely:—

(i) Director General of Forests and Special Secretary, Ministry of Environment, Forest and Climate Change, Government of India—Chairperson, *ex officio*;

(ii) Additional Director General of Forests (Forest Conservation), Ministry of Environment, Forest and Climate Change, Government of India—Member, *ex officio*;

(iii) Additional Director General of Forests (Wildlife), Ministry of Environment, Forest and Climate Change, Government of India—Member, *ex officio*;

(iv) Mission Director, National Mission for a Green India, Ministry of Environment, Forest and Climate Change, Government of India—Member, *ex officio*;

Executive committee and monitoring group of National Authority.

(v) Financial Adviser, Ministry of Environment, Forest and Climate Change, Government of India—Member, *ex officio*;

(vi) Head of all regional offices of the Ministry of Environment, Forest and Climate Change, Government of India—Members, *ex officio*;

(vii) Inspector General of Forests (Forest Conservation), Ministry of Environment, Forest and Climate Change, Government of India—Member, *ex officio*;

(viii) a professional ecologist, not being from the Central Government, to be appointed by the Central Government—Member;

(ix) three experts, one each in the fields of forestry, tribal development, forest economy development, not being from the Central Government, to be appointed by the Central Government—Members;

(x) Chief Executive Officer of the National Authority—Member-Secretary.

(3) The monitoring group shall consist of six experts in the field of environment, economics, wildlife, forest, remote sensing and geographical information system and social sector and the Director General, Forest Survey of India, Ministry of Environment, Forest and Climate Change, Government of India.

(4) The following officers shall be appointed by the National Authority for a period not exceeding five years, to assist the executive committee in performance of its functions and powers under the Act, namely:—

(i) Joint Chief Executive Officer of the rank of Inspector General of Forests;

(ii) Financial Advisor and Chief Accounts Officer of the rank of Director in the Government of India; and

(iii) Deputy Chief Executive Officers of the rank of Deputy Inspector General of Forests.

(5) The governing body of the National Authority may with the prior concurrence of the Central Government create posts in the National Authority at the level of Assistant Inspector General of Forests and other officials to assist the executive committee and monitoring group in performance of its functions under the Act.

Constitution  
of State  
Authority.

**10. (1)** With effect from such date as the Central Government may, by notification in the Official Gazette, appoint in this behalf, there shall be constituted a State Authority to be called the “State Compensatory Afforestation Fund Management and Planning Authority” in each State.

(2) The Central Government may, if so desires, appoint different dates for constitution of State Authority in each of the States.

(3) The State Authority constituted in a State shall be responsible for the management of the State Fund of such State and its utilisation for the purposes of the Act.

(4) The State Authority shall consist of a governing body and shall be assisted by a steering committee and an executive committee.

(5) The governing body of a State Authority shall consist of the following, namely:—

(i) Chief Minister of the State and in case of a Union territory having no legislature, the Lieutenant Governor or the Administrator, as the case may be—Chairperson, *ex officio*;

(ii) Minister of Forests—Member, *ex officio*;

(iii) Chief Secretary—Member, *ex officio*;

(iv) Principal Secretaries of the Departments dealing with Environment, Finance, Planning, Rural Development, Revenue, Agriculture, Tribal Development, Panchayati Raj, Science and Technology—Members, *ex officio*;

(v) Principal Chief Conservator of Forests (Head of Forest Force)—Member, *ex officio*;

(vi) Chief Wildlife Warden—Member, *ex officio*;



(6) Principal Secretary in-charge of the Forest Department in a State shall be Member Secretary of the State Authority in such State.

(7) The State Government shall appoint an officer of the rank not below the rank of a Chief Conservator of Forests as the Chief Executive Officer of the State Authority who shall be the Member-Secretary of the steering committee and the executive committee of the State Authority.

11. (1) The governing body of the State Authority shall, in performance of its functions and powers under the Act, be assisted by the steering committee and the executive committee.

Steering committee and executive committee of State Authority.

(2) The steering committee of a State Authority shall consist of the following, namely:—

(i) Chief Secretary—Chairperson, *ex officio*;

(ii) Principal Secretaries of the Departments dealing with Forests, Environment, Finance, Planning, Rural Development, Revenue, Agriculture, Tribal Development, Panchayati Raj, Science and Technology—Members, *ex officio*;

(iii) Principal Chief Conservator of Forests (Head of Forest Force)—Member, *ex officio*;

(iv) Chief Wildlife Warden—Member, *ex officio*;

(v) Nodal Officer, the Forest (Conservation) Act, 1980—Member, *ex officio*;

(vi) Head of the concerned regional office of the Ministry of Environment, Forest and Climate Change—Member, *ex officio*;

(vii) Nodal Officer, State Forest Development Agency—Member, *ex officio*;

(viii) an expert on tribal matters or a representative of tribal communities to be appointed by the State Government—Member;

(ix) Chief Executive Officer, State Authority—Member-Secretary.

(3) The executive committee of a State Authority shall consist of the following, namely:—

(i) Principal Chief Conservator of Forests (Head of Forest Force)—Chairperson, *ex officio*;

(ii) Chief Wildlife Warden—Member, *ex officio*;

(iii) an officer not below the rank of a Chief Conservator of Forests dealing with forest and wildlife related schemes—Member, *ex officio*;

(iv) an officer not below the rank of a Chief Conservator of Forests dealing with forestry research—Member, *ex officio*;

(v) Nodal Officer, State Forest Development Agency—Member, *ex officio*;

(vi) a representative each of the Departments dealing with Environment, Finance, Planning, Rural Development, Revenue, Agriculture, Tribal Development, Panchayati Raj, Science and Technology—Members, *ex officio*;

(vii) Financial Controller or Financial Adviser, to be nominated by the Finance Department—Member, *ex officio*;

(viii) two eminent non- government organisations to be appointed by the State Government—Members;

(ix) two representatives of district level Panchayati Raj Institutions to be appointed by the State Government—Members;

(x) an expert on tribal matters or a representative of tribal community to be appointed by the State Government—Member;

(xi) Chief Executive Officer, State Authority—Member-Secretary.

(4) The State Authority may appoint the following officers for a period not exceeding five years, to assist the steering committee and executive committee in performance of its functions under the Act, namely:—

(i) Joint Chief Executive Officer of the rank not below the rank of a Conservator of Forests;

(ii) Financial Advisor and Chief Accounts Officer of the rank not below the rank of a Deputy Secretary in the State Government;

(iii) Deputy Chief Executive Officer of the rank not below the rank of a Deputy Conservator of Forests.

(5) The governing body of the State Authority may with the prior concurrence of the State Government create posts in the State Authority at the level of Assistant Conservator of Forests and other officials to assist the steering committee and executive committee in performance of its functions under the Act.

Term of office and conditions of service of members.

**12.** Save as otherwise provided in this Act, the terms of office and other conditions of the service of the members of the National Authority, executive committee, monitoring group, Chief Executive Officer and officials appointed by the National Authority, members of State Authority, steering committee and executive committee of each State Authority shall be such as may be prescribed.

Disqualifications.

**13.** A person shall be disqualified for being appointed as a member of the National Authority, executive committee of the National Authority, a State Authority, steering committee and executive committee of a State Authority, monitoring group, if he—

(i) has been convicted and sentenced to imprisonment for an offence which, in the opinion of the Central Government, involves moral turpitude; or

(ii) is an undischarged insolvent; or

(iii) is of unsound mind and stands so declared by the competent court; or

(iv) has been removed or dismissed from the service of the Government or organisation or undertaking owned by the Government; or

(v) has, in the opinion of the Central Government, such financial or other interest in the National Authority or the concerned State Authority as is likely to affect the duties discharged by him of his function as a member.

## CHAPTER IV

### POWERS AND FUNCTIONS OF NATIONAL AUTHORITY AND STATE AUTHORITIES

Powers and functions of National Authority.

**14. (1)** The governing body of the National Authority shall—

(i) formulate broad policy framework for functioning of the National Authority and State Authorities as may be notified by the Central Government;

(ii) approve the annual report and audited accounts of the National Authority;

(iii) review reports on decision taken by executive committee and monitoring group of the National Authority including investment decisions;

(iv) approve the proposal for the schemes specified in sub-clause (iii) of clause (b) of section 5;

(v) approve the proposals for creation of posts in the National Authority, subject to prior permission of the Central Government;

(vi) provide a mechanism to State Authorities to resolve issues of inter-State or Centre-State character;

(vii) formulate such procedures for delegation of financial and administrative powers to the National Authority and State Authorities as may be notified by the Central Government.

(2) The governing body of the National Authority shall meet at least once in six months.



(3) The governing body and executive committee of the National Authority and the monitoring group of the National Authority shall meet at such places and shall observe such rules and procedures in regard to transaction of business at its meeting, including the quorum thereat, as may be prescribed.

**15. (1)** The executive committee of the National Authority shall—

(i) approve within three months from the date of receipt, annual plan of operations of State Authorities, with such amendments as it deems fit and proper;

(ii) formulate proposals for schemes specified in sub-clause (iii) of clause (b) of section 5;

(iii) execute schemes specified in sub-clause (iii) of clause (b) of section 5;

(iv) deploy staff on contract or on deputation basis to the posts in the National Authority;

(v) formulate proposals for creation of posts in the National Authority at the level of Assistant Inspector General of Forests and other officers;

(vi) invest surplus amounts available in the National Fund;

(vii) execute other day-to-day work in respect of receipt of amounts in the National Fund;

(viii) maintain books of account and such other records;

(ix) facilitate scientific, technological and other assistance that may be required by State Authorities;

(x) present its decisions to the governing body of the National Authority for information;

(xi) maintain and update a public information system on the National Authority and present all information on its transaction in the public domain;

(xii) undertake any other work as may be assigned by the governing body of the National Authority or the Central Government, from time to time.

(2) The executive committee of the National Authority shall meet at least once in every three months.

**16. (1)** The monitoring group shall—

(i) evolve independent system for concurrent monitoring and evaluation of the works implemented in the States and Union territories utilising the funds released by the National Authority and State Authorities to ensure effective and proper utilisation of funds by utilising the services of the regional offices, of the Central Government in the Ministry of Environment, Forest and Climate Change:

Provided that the Central Government may also undertake third party monitoring and evaluation of the works implemented in the States and Union territories utilising the funds released by the National Authority and State Authorities through individual and institutional experts including remote sensing agencies;

(ii) inspect and undertake financial audit of works executed by utilising the funds released by the National Authority and State Authorities in the State and Union territories;

(iii) devise measures for transparency and accountability.

(2) The monitoring group shall meet at least once in three months.

**17. (1)** The governing body of a State Authority shall—

(i) lay down the broad policy framework for the functioning of such State Authority within the overall framework notified by the Central Government on the recommendations of the National Authority;

Powers and functions of executive committee of National Authority.

Functions of monitoring group.

Powers and functions of State Authority.

(ii) review the working of the State Authority from time to time.

(2) The governing body of a State Authority shall meet at least once in six months.

(3) The governing body, steering committee and executive committee of a State Authority shall meet at such places and shall observe such rules and procedures in regards to transaction of business at its meeting, including the quorum thereat, as may be prescribed.

Powers and functions of steering committee of State Authority.

**18.** (1) The steering committee of a State Authority shall—

(i) scrutinise and approve with such amendments as it may deem fit and proper the annual plan of operations prepared by the executive committee of such State Authority and send the same to the executive committee of the National Authority for final approval;

(ii) monitor the progress of the utilisation of funds released from the State Fund;

(iii) review reports on decision taken by executive committee including investment decisions;

(iv) approve, subject to prior concurrence of the State Government, proposals formulated by the executive committee for creation of posts in the State Authority;

(v) approve annual report of the State Authority and send the same to the State Government to lay it, each year, in each House of the State Legislature;

(vi) ensure inter-departmental coordination.

(2) The steering committee of a State Authority shall meet at least once in every three months.

Functions and powers of executive committee of State Authority.

**19.** (1) The executive committee of a State Authority shall—

(i) formulate and submit annual plan of operations to the steering committee of the State Authority for its concurrence;

(ii) undertake qualitative and quantitative supervision, monitoring and evaluation of the works being implemented from amounts available in the State Fund;

(iii) invest surplus amounts available in the State Fund of such State;

(iv) maintain books of account and other records;

(v) submit reports to the steering committee of the State Authority;

(vi) prepare annual report of the State Authority;

(vii) deploy staff on contractual basis or on deputation to the posts in the State Authority;

(viii) formulate proposals for creation of posts in the State Authority;

(ix) be responsible for delegation of financial or administrative powers;

(x) be responsible for other day-to-day working in respect of the State Authority;

(xi) maintain and update public information system on the State Authority and present all information on its transaction in the public domain;

(xii) undertake any other work as may be assigned by the governing body or steering committee of the State Authority or the State Government, from time to time.

(2) The executive committee of a State Authority shall meet at least once in every three months.

## CHAPTER V

### FINANCE, ACCOUNTS, AUDIT AND ANNUAL REPORT

Budget of National Authority.

**20.** (1) The National Authority shall prepare its budget for the next financial year, showing the estimated receipts and expenditure of the National Authority and forward the same to the Central Government, in such form and at such time in each financial year as may be prescribed.

(2) The National Authority, shall adopt financial regulation and procedures, in particular the procedure for drawing up and implementing the budget of the National Authority as may be prescribed.

**21.** The National Authority may invest its funds, including any reserve fund, in the securities of the Central Government and in scheduled banks in such manner as may be prescribed:

Investment of funds by National Authority.

Provided that the grants received from the Central Government shall not be invested and shall be utilised for the purposes and in the manner attached to it.

**22.** (1) The National Authority shall maintain proper accounts and other relevant records and prepare an annual statement of accounts in such form as may be prescribed in consultation with the Comptroller and Auditor-General of India.

Accounts and audit of National Authority.

(2) The accounts of the National Authority shall be audited by the Comptroller and Auditor-General of India at such intervals as may be specified by him and any expenditure incurred in connection with such audit shall be payable by the National Authority to the Comptroller and Auditor-General.

(3) The Comptroller and Auditor-General and any other person appointed by him in connection with the audit of the accounts of the National Authority shall have the same right and privileges and authority in connection with such audit as the Comptroller and Auditor-General generally has in connection with the audit of the Government accounts and, in particular, shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers and to inspect the office of the National Authority.

(4) The accounts of the National Authority as certified by the Comptroller and Auditor-General or any other person appointed by him in this behalf together with the audit report thereon, shall be forwarded annually to the Central Government by the National Authority.

(5) The Comptroller and Auditor-General shall, within a period of six months from the date of commencement of the Act, audit the accounts of the all monies collected by the State Governments and Union territory Administrations, which has been placed under the *ad hoc* Authority and deposited in the nationalised banks and submit the report to the Central Government under this section.

(6) The Central Government shall have the power to conduct the special audit or performance audit of the National Fund and of the National Authority through the Comptroller and Auditor-General.

**23.** (1) The National Authority shall prepare, its annual report, giving a full account of its activities during the previous financial year and forward a copy thereof to the Central Government, in such form and at such time, for each financial year, as may be prescribed.

Annual report of National Authority.

(2) The annual report shall, *inter alia*, provide for—

(i) the summary of monitoring and evaluation of activities undertaken from amounts released from the National Fund and State Funds during the year;

(ii) the summary of specific schemes specified in sub-clause (iii) of clause (b) of section 5 executed during the year;

(iii) the amount of money received and expended.

**24.** The Central Government shall cause the annual report and audit report together with a memorandum of action taken on the recommendations contained therein to be laid as soon as may be after the reports are received before each House of Parliament.

Annual report and audit report of National Authority to be laid before Parliament.

Budget of  
State  
Authority.

**25.** (1) Each State Authority shall prepare its budget for the next financial year, showing the estimated receipts and expenditure of the State Authority and forward the same to the State Government, in such form and at such time, in each financial year, as may be prescribed.

(2) Each State Authority shall adopt financial regulation and procedures, in particular the procedure for drawing up and implementing the budget of the State Authority as may be prescribed.

Investment  
of funds by  
State  
Authority.

**26.** State Authority may invest funds available in the State Fund of such State in the securities of the Central Government and in scheduled banks in such manner as may be prescribed:

Provided that the grants received from the State Government shall not be invested and shall be utilised for the purpose and in the manner prescribed.

Accounts and  
audit of State  
Authority.

**27.** (1) Each State Authority shall maintain proper accounts and other relevant records and prepare an annual statement of accounts in such form as may be prescribed in consultation with the Comptroller and Auditor-General of India.

(2) The accounts of each State Authority shall be audited by the Comptroller and Auditor-General at such intervals as may be specified by him and any expenditure incurred in connection with such audit shall be payable by the State Authority to the Comptroller and Auditor-General.

(3) The Comptroller and Auditor-General and any other person appointed by him in connection with the audit of the accounts of the State Authority shall have the same right and privileges and authority in connection with such audit as the Comptroller and Auditor-General generally has in connection with the audit of the Government accounts and, in particular, shall have the right to demand the production of books, accounts, connected vouchers, other documents and papers and to inspect the office of the State Authority.

(4) The Accounts of the State Authority as certified by the Comptroller and Auditor-General or any other person appointed by him in this behalf together with the audit report thereon, shall be forwarded annually to the State Government by the State Authority.

(5) The Comptroller and Auditor-General shall, within a period of six months from the date of commencement of the Act, audit the accounts of all the monies which have been transferred by the *ad hoc* Authority to the State Compensatory Afforestation Fund Management and Planning Authorities constituted in the States in compliance of guidelines dated the 2nd July, 2009 and submit the report to the State Government under this section.

(6) The Central Government and the State Government concerned shall have the power to conduct the special audit or performance audit of the State Fund and of the State Authority through the Comptroller and Auditor-General.

Annual report  
of State  
Authority.

**28.** (1) Each State Authority shall prepare its annual report, giving a full account of its activities during the previous financial year and forward a copy thereof to the concerned State Government, in such form and at such time, for each financial year, as may be prescribed.

(2) The annual report of a State Authority shall, *inter alia*, provide for—

(i) the number and location of each reforestation, afforestation and conservation activity subject to the requirement of this section;

(ii) the amount and location of lands in hectares, cleared, conserved and planted in connection with the activity; and

(iii) the amount of afforestation money collected and expended.

**29.** The State Government shall cause the annual report and the audit report together with a memorandum of action taken on the recommendations contained therein to be laid as soon as may be after the reports are received before each House of the State Legislature:

Annual report and audit report of State Authority to be laid before State Legislature.

Provided that in case of a Union territory having no legislature, the Central Government shall cause the annual report and the audit report together with a memorandum of action taken on the recommendations contained therein to be laid as soon as may be after the reports are received before each House of the Parliament.

## CHAPTER VI

### MISCELLANEOUS

**30.** (1) The Central Government in consultation with the State Governments may, after previous publication, make rules for carrying out the purposes of this Act.

Power to make rules.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the management of the National Fund by the National Authority under sub-section (2) of section 3;

(b) the management of State Fund by the State Authorities under sub-section (2) of section 4;

(c) the manner of using the money for purposes specified in clause (b) of section 6;

(d) the manner of utilising the money for purposes specified in clause (c) of section 6;

(e) the manner of payment of the salary and allowances payable to the officers and other employees of the State Authority under clause (f) of section 6;

(f) the accounting procedure regulating the manner of crediting the monies to the National Fund and State Funds under section 7;

(g) the terms of office and other conditions of the service of the members of the National Authority, executive committee, monitoring group, Chief Executive Officer and officials appointed by the National Authority, members of State Authority, steering committee and executive committee of each State Authority under section 12;

(h) the rules and procedures in respect of the transaction of business of the governing body and executive committee of the National Authority and monitoring group of the National Authority and the place of meeting, including the quorum under sub-section (3) of section 14;

(i) the rules and procedures in respect of the transaction of business of the governing body, steering committee and executive committee of a State Authority and the place of meeting, including the quorum under sub-section (3) of section 17;

(j) the preparation of the budget of the National Authority under sub-section (1) of section 20;

(k) the financial regulation and procedures, in particular the procedure for drawing up and implementing the budget of the National Authority under sub-section (2) of section 20;

(l) the investment of the funds of the National Authority under section 21;

(m) the maintenance of the accounts and other relevant records and preparation of an annual statement of accounts by the National Authority under sub-section (1) of section 22;

(n) the preparation of the annual report by the National Authority under sub-section (1) of section 23;

(o) the preparation of the budget of the State Authority under sub-section (1) of section 25;

(p) the financial regulation and procedures, in particular the procedure for drawing up and implementing the budget of the State Authorities under sub-section (2) of section 25;

(q) the investment of funds by the State Authorities under section 26;

(r) the maintenance of the accounts and other relevant records and preparation of annual statement of accounts by each State Authority under sub-section (I) of section 27;

(s) the preparation of the annual report by the State Authorities under sub-section (I) of section 28; and

(t) any other matter which is required to be, or may be prescribed.

(3) Every rule made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall, thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

Transfer of  
assets,  
liabilities, etc.

**31. (I)** On and from the date of constitution of the National Authority—

(i) all the assets and liabilities of the *ad hoc* Authority shall stand transferred to, and vested in, the National Authority;

*Explanation.*—The assets of the *ad hoc* Authority shall be deemed to include all rights and powers, all properties, whether movable or immovable, including in particular, cash balances, deposits, and all other interests and rights in, or arising of, such properties as may be in the possession of the *ad hoc* Authority and all books of account and other documents relating to the same, and liabilities shall include all debts, liabilities and obligations of whatever kind;

(ii) without prejudice to the provisions of clause (i), all debts, obligations and liabilities incurred, all contracts entered into and all matters and things engaged to be done by, with or for the *ad hoc* Authority immediately before constitution of the National Authority, for or in connection with the purpose of the *ad hoc* Authority, shall be deemed to have been incurred, entered into or engaged to be done by, with or for, the National Authority;

(iii) all sums of money due to the *ad hoc* Authority immediately before constitution of the National Authority shall be due to the National Authority;

(iv) all suits and legal proceedings instituted or which could have been instituted by or against the *ad hoc* Authority may be continued or may be instituted by or against the National Compensatory Authority.

(2) On and from the date of constitution of a State Authority—

(i) all the assets and liabilities of the State Compensatory Afforestation Fund Management and Planning Authority constituted in such State in compliance of guidelines dated the 2nd July, 2009 shall stand transferred to, and vested in, the State Authority.

*Explanation.*—The assets of the State Compensatory Afforestation Fund Management and Planning Authority constituted in such State in compliance of guidelines dated the 2nd July, 2009 shall be deemed to include all rights and powers, all properties, whether movable or immovable, including in particular, cash balances, deposits, and all other interests and rights in, or arising of, such properties as may be in the possession of the State Compensatory Afforestation Fund Management and Planning Authority constituted in such State in compliance of guidelines dated the 2nd July, 2009 and all books of account and other documents relating to the same, and liabilities shall include all debts, liabilities and obligations of whatever kind;

(ii) without prejudice to the provisions of clause (i), all debts, obligations and liabilities incurred, all contracts entered into and all matters and things engaged to be done by, with or for the State Compensatory Afforestation Fund Management and Planning Authority constituted in such State in compliance of guidelines dated the 2nd July, 2009 before this Act came into force, for or in connection with the purpose of the State Compensatory Afforestation Fund Management and Planning Authority constituted in such State in compliance of guidelines dated the 2nd July, 2009, shall be deemed to have been incurred, entered into or engaged to be done by, with or for, the State Authority;



(iii) all sums of money due to the State Compensatory Afforestation Fund Management and Planning Authority constituted in such State in compliance of guidelines dated the 2nd July, 2009 before constitution of the State Authority shall be due to the State Authority;

(iv) all suits and legal proceedings instituted or which could have been instituted by or against the State Compensatory Afforestation Fund Management and Planning Authority constituted in such State in compliance of guidelines dated the 2nd July, 2009 may be continued or may be instituted by or against the State Authority.

**32.** (1) Notwithstanding anything contained in any judgment, decree or order of any court, the amount credited to the National Fund shall be deemed to be credited and shall always be deemed to have been credited to the public account of India within the meaning of articles 266 and 283 of the Constitution, and it shall be regulated by law made by Parliament in this behalf.

Validation.

(2) Notwithstanding anything contained in any judgment or order of any court, all the monies collected by the State Governments and the Union territory Administrations which has been placed under the *ad hoc* Authority and deposited in the nationalised banks and the interest accrued thereon shall stand transferred to the National Fund.

(3) Notwithstanding anything contained in any judgment or any order of any court, the amount credited to the State Fund shall be deemed to be credited and shall always be deemed to have been credited to the public account of the State within the meaning of articles 266 and 283 of the Constitution, and it shall be regulated by law made by the State Legislature in this behalf.

**33.** (1) The Central Government may, if it finds necessary or expedient in the public interest, issue such policy directives to the National Authority or any State Authority, in writing and such policy directives shall be binding upon the National Authority or the State Authority, as the case may be.

Power of Central Government to issue directions.

(2) The decision of the Central Government, whether a question is one of policy or not, shall be final.

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The above Bill has been passed by the Houses of Parliament.

*Dated the*

*Chairman.*

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I assent to this Bill.

*Dated the*

*President.*





**Assented to on 4th August, 2016**  
**Act No. 39 of 2016**

THE INDIAN MEDICAL COUNCIL (AMENDMENT) ACT, 2016

AN

ACT

*further to amend the Indian Medical Council Act, 1956.*

BE it enacted by Parliament in the Sixty-seventh Year of the Republic of India as follows:—

1. (1) This Act may be called the Indian Medical Council (Amendment) Act, 2016.

Short title and  
commencement.

(2) It shall be deemed to have come into force on 24th May, 2016.

102 of 1956.

2. After section 10C of the Indian Medical Council Act, 1956 (hereinafter referred to as the principal Act), the following section shall be inserted, namely:—

Insertion of  
new section  
10D.

“10D. There shall be conducted a uniform entrance examination to all medical educational institutions at the undergraduate level and post-graduate level through such designated authority in Hindi, English and such other languages and in such manner as may be prescribed and the designated authority shall ensure the conduct of uniform entrance examination in the aforesaid manner:

Uniform  
entrance  
examination  
for  
undergraduate  
and post-  
graduate level.

Provided that notwithstanding any judgment or order of any court, the provisions of this section shall not apply, in relation to the uniform entrance examination at the undergraduate level for the academic year 2016-17 conducted in accordance with any regulations made under this Act, in respect of the State Government seats (whether in Government Medical College or in a private Medical College) where such State has not opted for such examination.”.

Amendment  
of section 33.

**3.** In section 33 of the principal Act, after clause (*ma*), the following clause shall be inserted, namely:—

“(mb) the designated authority, other languages and the manner of conducting of uniform entrance examination to all medical educational institutions at the undergraduate level and post-graduate level;”.

Repeal and  
savings.

**4.** (*1*) The Indian Medical Council (Amendment) Ordinance, 2016 is hereby repealed.

Ord. 4 of  
2016.

(2) Notwithstanding such repeal, anything done or any action taken under the Indian Medical Council Act, 1956 as amended by the said Ordinance, shall be deemed to have been done or taken under the corresponding provisions of the said Act, as amended by this Act.

102 of 1956.

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The above Bill has been passed by the Houses of Parliament.

*Dated the*

*Chairman.*

---

I assent to this Bill.

*Dated the*

*President.*

**Assented to on 4th August, 2016**  
**Act No. 40 of 2016**

THE DENTISTS (AMENDMENT) ACT, 2016

AN

ACT

*further to amend the Dentists Act, 1948.*

BE it enacted by Parliament in the Sixty-seventh Year of the Republic of India as follows:—

1. (1) This Act may be called the Dentists (Amendment) Act, 2016.

Short title and  
commencement.

(2) It shall be deemed to have come into force on 24th May, 2016.

16 of 1948. 5 2. After section 10C of the Dentists Act, 1948 (hereinafter referred to as the principal Act), the following section shall be inserted, namely:—

Insertion of  
new section  
10D.

“10D. There shall be conducted a uniform entrance examination to all dental educational institutions at the undergraduate level and post-graduate level through such designated authority in Hindi, English and such other languages and in such manner as may be prescribed and the designated authority shall ensure the conduct of uniform entrance examination in the aforesaid manner:

Uniform  
entrance  
examination  
for  
undergraduate  
and post-  
graduate level.

Provided that notwithstanding any judgment or order of any court, the provisions of this section shall not apply, in relation to the uniform entrance examination at the undergraduate level for the academic year 2016-17 conducted in accordance with any regulations made under this Act, in respect of the State Government seats (whether in Government Dental College or in a private Dental College) where such State has not opted for such examination.”.

Amendment  
of section 20.

3. In section 20 of the principal Act, after clause (h), the following clause shall be inserted, namely:—

“(ha) the designated authority, other languages and the manner of conducting of uniform entrance examination to all dental educational institutions at the undergraduate level and post-graduate level;”.

Repeal and  
savings.

4. (1) The Dentists (Amendment) Ordinance, 2016 is hereby repealed.

Ord. 5 of  
2016.

(2) Notwithstanding such repeal, anything done or any action taken under the Dentists Act, 1948 as amended by the said Ordinance, shall be deemed to have been done or taken under the corresponding provisions of the said Act, as amended by this Act.

16 of 1948.

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The above Bill has been passed by the Houses of Parliament.

*Dated the*

*Chairman.*

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I assent to this Bill.

*Dated the*

*President.*

**Assented to on 9th August, 2016  
Act No. 41 of 2016**

THE INSTITUTES OF TECHNOLOGY (AMENDMENT) ACT, 2016

AN

ACT

*further to amend the Institutes of Technology Act, 1961.*

BE it enacted by Parliament in the Sixty-seventh Year of the Republic of India as follows:—

1. (1) This Act may be called the Institutes of Technology (Amendment) Act, 2016.

Short title and  
commencement.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

59 of 1961.

2. In the Institutes of Technology Act, 1961 (hereinafter referred to as the principal Act), in section 2, for the words and brackets "and the Indian Institute of Technology (Banaras Hindu University), Varanasi", the words and brackets "the Indian Institute of Technology (Banaras Hindu University), Varanasi, the Indian Institute of Technology, Tirupati,

Amendment  
of section 2.

the Indian Institute of Technology, Palakkad, the Indian Institute of Technology, Goa, the Indian Institute of Technology, Dharwad, the Indian Institute of Technology, Bhilai, the Indian Institute of Technology, Jammu and the Indian Institute of Technology (Indian School of Mines), Dhanbad" shall be substituted.

Amendment  
of section 3.

**3. In section 3 of the principal Act,—**

(A) in clause (c), after sub-clause (xiii), the following sub-clauses shall be inserted, namely:—

"(xiv) in relation to the society known as the Indian Institute of Technology, Tirupati, the Indian Institute of Technology, Tirupati;

(xv) in relation to the society known as the Indian Institute of Technology, Palakkad, the Indian Institute of Technology, Palakkad;

(xvi) in relation to the society known as the Indian Institute of Technology, Goa, the Indian Institute of Technology, Goa;

(xvii) in relation to the society known as the Indian Institute of Technology, Dharwar, the Indian Institute of Technology, Dharwad;

(xviii) in relation to the society known as the Indian Institute of Technology, Bhilai, the Indian Institute of Technology, Bhilai;

(xix) in relation to the society known as the Indian Institute of Technology, Jammu, the Indian Institute of Technology, Jammu;

(xx) in relation to the society known as the Indian School of Mines, Dhanbad, the Indian Institute of Technology (Indian School of Mines), Dhanbad.";

(B) after clause (ga), the following clause shall be inserted, namely:—

'(gb) "Indian School of Mines, Dhanbad" means the society known as the Indian School of Mines, Dhanbad;';

(C) in clause (j), after sub-clause (xi), the following sub-clauses shall be inserted, namely:—

"(xii) the Indian Institute of Technology, Tirupati;

(xiii) the Indian Institute of Technology, Palakkad;

(xiv) the Indian Institute of Technology, Goa;

(xv) the Indian Institute of Technology, Dharwad;

(xvi) the Indian Institute of Technology, Bhilai;

(xvii) the Indian Institute of Technology, Jammu;

(xviii) the Indian School of Mines, Dhanbad;"

Amendment  
of section 4.

**4. In section 4 of the principal Act, after sub-section (ID), the following sub-section shall be inserted, namely:—**

"(IE) The Indian School of Mines, Dhanbad shall, on such incorporation, be called the Indian Institute of Technology (Indian School of Mines), Dhanbad."

Amendment  
of section 5.

**5. In section 5 of the principal Act, after *Explanation 2*, the following *Explanation* shall be inserted, namely:—**

"*Explanation 3.*—The reference in this section to the commencement of this Act shall be construed in relation to the Indian Institute of Technology, Tirupati, the Indian Institute of Technology, Palakkad, the Indian Institute of Technology, Goa, the Indian Institute of Technology, Dharwad, the Indian Institute of Technology, Bhilai,

the Indian Institute of Technology, Jammu, and the Indian Institute of Technology (Indian School of Mines) Dhanbad, as the reference to the date on which the provisions of the Institutes of Technology (Amendment) Act, 2016 comes into force."

**6. In section 38 of the principal Act,—**

Amendment  
of section 38.

(i) after clause (o), the following clauses shall be inserted, namely:—

"(p) until the first Statutes and Ordinances in relation to the Indian Institute of Technology, Tirupati, the Indian Institute of Technology, Palakkad, the Indian Institute of Technology, Goa, the Indian Institute of Technology, Dharward, the Indian Institute of Technology, Bhilai, the Indian Institute of Technology, Jammu, are made under this Act, the Statutes and Ordinances of such Institutes, as in force immediately before the commencement of the Institutes of Technology (Amendment) Act, 2016, shall apply to those Institutes with necessary modifications and adaptations in so far as they are not inconsistent with the provisions of this Act;

(q) the Executive Board, referred to in Rule 7 of the Rules and Regulations of the Indian School of Mines, Dhanbad, functioning as such immediately before the commencement of the Institutes of Technology (Amendment) Act, 2016, shall continue to so function until a new Board is constituted for the Indian Institute of Technology (Indian School of Mines), Dhanbad, under this Act, but on the constitution of a new Board under this Act, the Executive Board of the Indian School of Mines, Dhanbad shall cease to function so far as the Indian Institute of Technology (Indian School of Mines), Dhanbad is concerned;

(r) the Academic Council, referred to in Rule 9 of the Rules and Regulations of the Indian School of Mines, Dhanbad, functioning as such immediately before the commencement of the Institutes of Technology (Amendment) Act, 2016 shall continue to so function until a new Senate is constituted for the Indian Institute of Technology (Indian School of Mines), Dhanbad under this Act, but on the constitution of a new Senate under this Act, the Academic Council of the Indian School of Mines, Dhanbad shall cease to function so far as the Indian Institute of Technology (Indian School of Mines), Dhanbad;

(s) until the first Statutes and the Ordinances in relation to the Indian Institute of Technology (Indian School of Mines), Dhanbad are made under this Act, the Statutes and Ordinances as are applicable to the Indian Institute of Technology, Roorkee immediately before the commencement of the Institutes of Technology (Amendment) Act, 2016, shall apply to the Indian Institute of Technology (Indian School of Mines), Dhanbad, with the necessary modifications and adaptations in so far as they are not inconsistent with the provisions of this Act;

(t) notwithstanding anything contained in the Institutes of Technology (Amendment) Act, 2016, any student who joined classes of the Indian School of Mines, Dhanbad on or after the commencement of 2015-2016 academic session or completed the courses on or after 2015-2016 academic session shall for the purpose of clause (b) of sub-section (1) of section 6, be deemed to have pursued a course of study in the Indian Institute of Technology (Indian School of Mines), Dhanbad provided that such student has not already been awarded degree or diploma for the same course of study;

(u) if any difficulty arises in giving effect to the provisions of the Institutes of Technology (Amendment) Act, 2016, the Central Government may, by order published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act, as may appear to be necessary for removing the difficulty:

Provided that no order shall be made under this clause after the expiry of two years from the commencement of the Institutes of Technology (Amendment) Act, 2016:

Provided further that every order made under this clause shall be laid, as soon as may be after it is made, before each House of Parliament.";

(b) after *Explanation 3*, the following *Explanation* shall be inserted, namely:—

"*Explanation 4*.—The reference in clauses (q), (r) and (s) of this section to the commencement of this Act shall be construed in relation to the Indian Institute of Technology (Indian School of Mines), Dhanbad, as the reference to the date on which the provisions of the Institutes of Technology (Amendment) Act, 2016 come into force."



**Assented to on 9th August, 2016**  
**Act No. 42 of 2016**

THE NATIONAL INSTITUTES OF TECHNOLOGY, SCIENCE  
EDUCATION AND RESEARCH (AMENDMENT) ACT, 2016

AN

ACT

*further to amend the National Institutes of Technology, Science Education*

*And Research Act, 2007.*

BE it enacted by Parliament in the Sixty-seventh Year of the Republic of India as follows:—

**1.** (1) This Act may be called the National Institutes of Technology, Science Education and Research (Amendment) Act, 2016.

Short title and  
commencement

(2) It shall be deemed to have come into force on the 20th day of August, 2015.

Amendment  
of First  
Schedule to  
Act 29 of  
2007.

2. In the First Schedule to the National Institutes of Technology, Science Education and Research Act, 2007, after serial number 30, the following serial number and the entries relating thereto shall be inserted, namely:—

(1)	(2)	(3)
“31.	National Institute of Technology, Andhra Pradesh	National Institute of Technology, Andhra Pradesh.”.

**Assented to on 9th August, 2016**  
**Act No. 43 of 2016**

THE *BENAMI* TRANSACTIONS (PROHIBITION)  
AMENDMENT ACT, 2016

AN

ACT

*further to amend the Benami Transactions (Prohibition) Act, 1988.*

BE it enacted by Parliament in the Sixty-seventh Year of the Republic of India as follows:—

**1.** (1) This Act may be called the *Benami* Transactions (Prohibition) Amendment Act, 2016.

Short title and  
commencement.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint, and different dates may be appointed for different provisions of this Act and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

Insertion of new heading before section 1.	<p>2. In the <i>Benami</i> Transactions (Prohibition) Act, 1988 (hereinafter referred to as the principal Act), before section 1, the following heading shall be inserted, namely:—</p> <p style="text-align: center;">“CHAPTER I</p> <p style="text-align: center;">PRELIMINARY.”</p>	45 of 1988.
Amendment of section 1.	<p>3. In section 1 of the principal Act, for sub-section (I), the following sub-section shall be substituted, namely:—</p> <p style="padding-left: 40px;">“(I) This Act may be called the Prohibition of <i>Benami</i> Property Transactions Act, 1988.”.</p>	45 of 1988.
Substitution of new section for section 2. Definitions.	<p>4. For section 2 of the principal Act, the following section shall be substituted, namely:—</p> <p style="padding-left: 40px;">‘2. In this Act, unless the context otherwise requires,—</p> <p style="padding-left: 80px;">(1) "Adjudicating Authority" means the Adjudicating Authority appointed under section 7;</p> <p style="padding-left: 80px;">(2) "Administrator" means an Income-tax Officer as defined in clause (25) of section 2 of the Income-tax Act, 1961;</p> <p style="padding-left: 80px;">(3) "Appellate Tribunal" means the Appellate Tribunal established under section 30;</p> <p style="padding-left: 80px;">(4) "Approving Authority" means an Additional Commissioner or a Joint Commissioner as defined in clauses (1C) and (28C) respectively of section 2 of the Income-tax Act, 1961;</p> <p style="padding-left: 80px;">(5) "attachment" means the prohibition of transfer, conversion, disposition or movement of property, by an order issued under this Act;</p> <p style="padding-left: 80px;">(6) "authority" means an authority referred to in sub-section (1) of section 18;</p> <p style="padding-left: 80px;">(7) "banking company" means a company to which the provisions of the Banking Regulation Act, 1949, applies and includes any bank or banking institution referred to in section 51 of that Act;</p> <p style="padding-left: 80px;">(8) "<i>benami</i> property" means any property which is the subject matter of a <i>benami</i> transaction and also includes the proceeds from such property;</p> <p style="padding-left: 80px;">(9) "<i>benami</i> transaction" means,—</p> <p style="padding-left: 120px;">(A) a transaction or an arrangement—</p> <p style="padding-left: 160px;">(a) where a property is transferred to, or is held by, a person, and the consideration for such property has been provided, or paid by, another person; and</p> <p style="padding-left: 160px;">(b) the property is held for the immediate or future benefit, direct or indirect, of the person who has provided the consideration, except when the property is held by—</p> <p style="padding-left: 120px;">(i) a <i>Karta</i>, or a member of a Hindu undivided family, as the case may be, and the property is held for his benefit or benefit of other members in the family and the consideration for such property has been provided or paid out of the known sources of the Hindu undivided family;</p> <p style="padding-left: 120px;">(ii) a person standing in a fiduciary capacity for the benefit of another person towards whom he stands in such capacity and includes a trustee, executor, partner, director of a company, a depository or a participant as an agent of a depository under the Depositories Act, 1996 and any other person as may be notified by the Central Government for this purpose;</p> <p style="padding-left: 120px;">(iii) any person being an individual in the name of his spouse or in the name of any child of such individual and the consideration for such</p>	<p>43 of 1961.</p> <p>43 of 1961.</p> <p>10 of 1949.</p> <p>22 of 1996.</p>

property has been provided or paid out of the known sources of the individual;

(iv) any person in the name of his brother or sister or lineal ascendant or descendant, where the names of brother or sister or lineal ascendant or descendant and the individual appear as joint-owners in any document, and the consideration for such property has been provided or paid out of the known sources of the individual; or

(B) a transaction or an arrangement in respect of a property carried out or made in a fictitious name; or

(C) a transaction or an arrangement in respect of a property where the owner of the property is not aware of, or, denies knowledge of, such ownership;

(D) a transaction or an arrangement in respect of a property where the person providing the consideration is not traceable or is fictitious;

*Explanation.*—For the removal of doubts, it is hereby declared that *benami* transaction shall not include any transaction involving the allowing of possession of any property to be taken or retained in part performance of a contract referred to in section 53A of the Transfer of Property Act, 1882, if, under any law for the time being in force,—

(i) consideration for such property has been provided by the person to whom possession of property has been allowed but the person who has granted possession thereof continues to hold ownership of such property;

(ii) stamp duty on such transaction or arrangement has been paid; and

(iii) the contract has been registered.

(10) "*benamidar*" means a person or a fictitious person, as the case may be, in whose name the *benami* property is transferred or held and includes a person who lends his name;

(11) "Bench" means a Bench of the Adjudicating Authority or the Appellate Tribunal, as the case may be;

(12) "beneficial owner" means a person, whether his identity is known or not, for whose benefit the *benami* property is held by a *benamidar*;

(13) "Board" means the Central Board of Direct Taxes constituted under the Central Boards of Revenue Act, 1963;

(14) "director" shall have the same meaning as assigned to it in clause (34) of section 2 of the Companies Act, 2013;

(15) "executor" shall have the same meaning as assigned to it in clause (c) of section 2 of the Indian Succession Act, 1925;

(16) "fair market value", in relation to a property, means—

(i) the price that the property would ordinarily fetch on sale in the open market on the date of the transaction; and

(ii) where the price referred to in sub-clause (i) is not ascertainable, such price as may be determined in accordance with such manner as may be prescribed;

(17) "firm" shall have the same meaning as assigned to it in section 4 of the Indian Partnership Act, 1932 and shall include a limited liability partnership as defined in the Limited Liability Partnership Act, 2008;

(18) "High Court" means—

(i) the High Court within the jurisdiction of which the aggrieved party ordinarily resides or carries on business or personally works for gain; and

4 of 1882.

54 of 1963.

18 of 2013.

39 of 1925.

9 of 1932.

6 of 2009.

- (ii) where the Government is the aggrieved party, the High Court within the jurisdiction of which the respondent, or in a case where there are more than one respondent, any of the respondents, ordinarily resides or carries on business or personally works for gain;
- (19) "Initiating Officer" means an Assistant Commissioner or a Deputy Commissioner as defined in clauses (9A) and (19A) respectively of section 2 of the Income-tax Act, 1961; 43 of 1961.
- (20) "Member" means the Chairperson or the Member of the Adjudicating Authority or the Appellate Tribunal, as the case may be;
- (21) "notification" means a notification published in the Official Gazette and the expression "notified" shall be construed accordingly;
- (22) "partner" shall have the same meaning as assigned to it in section 4 of the Indian Partnership Act, 1932, and shall include,— 9 of 1932.
- (a) any person who, being a minor, has been admitted to the benefits of partnership; and
- (b) a partner of a limited liability partnership formed and registered under the Limited Liability Partnership Act, 2008; 6 of 2009.
- (23) "partnership" shall have the same meaning as assigned to it in section 4 of the Indian Partnership Act, 1932, and shall include a limited liability partnership formed and registered under the Limited Liability Partnership Act, 2008; 9 of 1932. 6 of 2009.
- (24) "person" shall include—
- (i) an individual;
- (ii) a Hindu undivided family;
- (iii) a company;
- (iv) a firm;
- (v) an association of persons or a body of individuals, whether incorporated or not;
- (vi) every artificial juridical person, not falling under sub-clauses (i) to (v);
- (25) "prescribed" means prescribed by rules made under this Act;
- (26) "property" means assets of any kind, whether movable or immovable, tangible or intangible, corporeal or incorporeal and includes any right or interest or legal documents or instruments evidencing title to or interest in the property and where the property is capable of conversion into some other form, then the property in the converted form and also includes the proceeds from the property;
- (27) "public financial institution" shall have the same meaning as assigned to it in clause (72) of section 2 of the Companies Act, 2013; 18 of 2013.
- (28) "Special Court" means a Court of Session designated as Special Court under sub-section (1) of section 50;
- (29) "transfer" includes sale, purchase or any other form of transfer of right, title, possession or lien;
- (30) "trustee" means the trustee as defined in the section 3 of the Indian Trusts Act, 1882; 2 of 1882.
- (31) words and expressions used herein and not defined in this Act but defined in the Indian Trusts Act, 1882, the Indian Succession Act, 1925, the Indian Partnership Act, 1932, the Income-tax Act, 1961, the Depositories Act, 1996, the Prevention of Money-Laundering Act, 2002, the Limited Liability Partnership Act, 2008 and the Companies Act, 2013, shall have the same meanings respectively assigned to them in those Acts.' 2 of 1882. 39 of 1925. 9 of 1932. 43 of 1961. 22 of 1996. 15 of 2003. 6 of 2009. 18 of 2013.

5. Before section 3 of the principal Act, the following heading shall be inserted, namely:—

Insertion of new heading before section 3.

## "CHAPTER II

### PROHIBITION OF *BENAMI* TRANSACTIONS"

6. In section 3 of the principal Act,—

Amendment of section 3.

(a) sub-section (2) shall be omitted;

(b) sub-section (3) shall be renumbered as sub-section (2) thereof;

(c) after sub-section (2) as so renumbered, the following sub-section shall be inserted, namely:—

"(3) Whoever enters into any *benami* transaction on and after the date of commencement of the *Benami* Transactions (Prohibition) Amendment Act, 2016, shall, notwithstanding anything contained in sub-section (2), be punishable in accordance with the provisions contained in Chapter VII.";

(d) sub-section (4) shall be omitted.

7. In section 4 of the principal Act, sub-section (3) shall be omitted.

Amendment of section 4.

8. For sections 5 and 6 of the principal Act, the following sections shall be substituted, namely:—

Substitution of new sections for sections 5 and 6.

"5. Any property, which is subject matter of *benami* transaction, shall be liable to be confiscated by the Central Government.

Property held *benami* liable to confiscation.

6. (1) No person, being a *benamidar* shall re-transfer the *benami* property held by him to the beneficial owner or any other person acting on his behalf.

Prohibition on re-transfer of property by *benamidar*.

(2) Where any property is re-transferred in contravention of the provisions of sub-section (1), the transaction of such property shall be deemed to be null and void.

(3) The provisions of sub-sections (1) and (2) shall not apply to a transfer made in accordance with the provisions of section 190 of the Finance Act, 2016."

28 of 2016.

9. After section 6 of the principal Act, the following shall be inserted, namely:—

Insertion of new Chapters III to VII.

## 'CHAPTER III

### AUTHORITIES

7. The Central Government shall, by notification, appoint one or more Adjudicating Authorities to exercise jurisdiction, powers and authority conferred by or under this Act.

Adjudicating Authority.

8. An Adjudicating Authority shall consist of a Chairperson and at least two other Members.

Composition of Authority.

9. (1) A person shall not be qualified for appointment as the Chairperson or a Member of the Adjudicating Authority unless he,—

Qualifications for appointment of Chairperson and Members.

(a) has been a member of the Indian Revenue Service and has held the post of Commissioner of Income-tax or equivalent post in that Service; or

(b) has been a member of the Indian Legal Service and has held the post of Joint Secretary or equivalent post in that Service.

(2) The Chairperson and other Members of the Adjudicating Authority shall be appointed by the Central Government in such manner as may be prescribed.

(3) The Central Government shall appoint the seniormost Member to be the Chairperson of the Adjudicating Authority.

Constitution  
of Benches of  
Adjudicating  
Authority.

**10. (I)** Subject to the provisions of this Act,—

(a) the jurisdiction of the Adjudicating Authority may be exercised by Benches thereof;

(b) a Bench may be constituted by the Chairperson of the Adjudicating Authority with two Members, as the Chairperson may deem fit;

(c) the Benches of the Adjudicating Authority shall ordinarily sit in the National Capital Territory of Delhi and at such other places as the Central Government may, in consultation with the Chairperson, by notification, specify;

(d) the Central Government shall, by notification, specify the areas in relation to which each Bench of the Adjudicating Authority may exercise jurisdiction.

(2) Notwithstanding anything contained in sub-section (I), the Chairperson may transfer a Member from one Bench to another Bench.

Power of  
Adjudicating  
Authority to  
regulate its  
own  
procedure.

**11.** The Adjudicating Authority shall not be bound by the procedure laid down by the Code of Civil Procedure, 1908, but shall be guided by the principles of natural justice and, subject to the other provisions of this Act, the Authority shall have powers to regulate its own procedure.

5 of 1908.

Term of  
office of  
Chairperson  
and Members  
of  
Adjudicating  
Authority.

**12.** The Chairperson and Members of the Adjudicating Authority shall hold office for a term not exceeding five years from the date on which they enter upon their office, or until they attain the age of sixty-two years, whichever is earlier and shall not be eligible for reappointment.

Terms and  
conditions of  
services of  
Chairperson  
and Members  
of  
Adjudicating  
Authority.

**13. (I)** The salary and allowances payable to, and the other terms and conditions of service of the Chairperson and other Members of the Adjudicating Authority shall be such as may be prescribed.

(2) Any vacancy caused to the office of the Chairperson or any other Member shall be filled up within a period of three months from the date on which such vacancy occurs.

Removal of  
Chairperson  
and Members  
of  
Adjudicating  
Authority.

**14. (I)** The Central Government may, by order, remove from office, the Chairperson or other Members of the Adjudicating Authority, if the Chairperson or such other Member, as the case may be,—

(a) has been adjudged as an insolvent; or

(b) has been convicted of an offence, involving moral turpitude; or

(c) has become physically or mentally incapable of acting as a Member; or

(d) has acquired such financial or other interest as is likely to affect prejudicially his functions; or

(e) has so abused his position as to render his continuance in office is prejudicial to the public interest.

(2) No Chairperson or Member shall be removed from his office under clause (d) or clause (e) of sub-section (I) unless he has been given a reasonable opportunity of being heard in the matter.

Member to  
act as  
Chairperson  
in certain  
circumstances.

**15. (I)** In the event of the occurrence of any vacancy in the office of the Chairperson by reason of his death, resignation or otherwise, the seniormost Member shall act as the Chairperson of the Adjudicating Authority until the date on which a new Chairperson, appointed in accordance with the provisions of this Act to fill such vacancy, enters upon his office.



(2) When the Chairperson is unable to discharge his functions owing to absence, illness or any other cause, the seniormost Member shall discharge the functions of the Chairperson until the date on which the Chairperson resumes his duties.

**16.** No act or proceeding of the Adjudicating Authority shall be invalid merely by reason of—

Vacancies, etc., not to invalidate proceedings of Adjudicating Authority.

(a) any vacancy in, or any defect in the constitution of the Authority; or

(b) any defect in the appointment of a person acting as a Member of the Authority; or

(c) any irregularity in the procedure of the Authority not affecting the merits of the case.

**17. (1)** The Central Government shall provide each Adjudicating Authority with such officers and employees as that Government may think fit.

Officers and employees of Adjudicating Authority.

(2) The officers and employees of the Adjudicating Authority shall discharge their functions under the general superintendence of the Chairperson of the Adjudicating Authority.

**18. (1)** The following shall be the authorities for the purposes of this Act, namely:—

Authorities and jurisdiction.

(a) the Initiating Officer;

(b) the Approving Authority;

(c) the Administrator; and

(d) the Adjudicating Authority.

(2) The authorities shall exercise all or any of the powers and perform all or any of the functions conferred on, or, assigned, as the case may be, to it under this Act or in accordance with such rules as may be prescribed.

**19. (1)** The authorities shall, for the purposes of this Act, have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908, while trying a suit in respect of the following matters, namely:—

Powers of authorities.

(a) discovery and inspection;

(b) enforcing the attendance of any person, including any official of a banking company or a public financial institution or any other intermediary or reporting entity, and examining him on oath;

(c) compelling the production of books of account and other documents;

(d) issuing commissions;

(e) receiving evidence on affidavits; and

(f) any other matter which may be prescribed.

(2) All the persons summoned under sub-section (1) shall be bound to attend in person or through authorised agents, as any authority under this Act may direct, and shall be bound to state the truth upon any subject respecting which they are examined or make statements, and produce such documents as may be required.

(3) Every proceeding under sub-section (1) or sub-section (2) shall be deemed to be a judicial proceeding within the meaning of section 193 and section 228 of the Indian Penal Code.

(4) For the purposes of this Act, any authority under this Act may requisition the service of any police officer or of any officer of the Central Government or State

Government or of both to assist him for all or any of the purposes specified in sub-section (1), and it shall be the duty of every such officer to comply with the requisition or direction.

(5) For the purposes of this section, "reporting entity" means any intermediary or any authority or of the Central or the State Government or any other person as may be notified in this behalf.

*Explanation.*—For the purposes of sub-section (5), "intermediary" shall have the same meaning as assigned to it in clause (n) of sub-section (1) of section 2 of the Prevention of Money-Laundering Act, 2002.

15 of 2003.

**20.** The following officers shall assist the authorities in the enforcement of this Act, namely:—

(a) income-tax authorities appointed under sub-section (1) of section 117 of the Income-tax Act, 1961;

43 of 1961.

(b) officers of the Customs and Central Excise Departments;

(c) officers appointed under sub-section (1) of section 5 of the Narcotic Drugs and Psychotropic Substances Act, 1985;

61 of 1985.

(d) officers of the stock exchange recognised under section 4 of the Securities Contracts (Regulation) Act, 1956;

42 of 1956.

(e) officers of the Reserve Bank of India constituted under sub-section (1) of section 3 of the Reserve Bank of India Act, 1934;

2 of 1934.

(f) police;

(g) officers of enforcement appointed under sub-section (1) of section 36 of the Foreign Exchange Management Act, 1999;

40 of 1999.

(h) officers of the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992;

15 of 1992.

(i) officers of any other body corporate constituted or established under a Central or a State Act; and

(j) such other officers of the Central Government, State Government, local authorities or banking companies as the Central Government may, by notification, specify, in this behalf.

**21.** (1) The Initiating Officer or the Approving Authority or the Adjudicating Authority shall have power to require any officer of the Central Government or State Government or a local body or any person or officer who is responsible for registering and maintaining books of account or other documents containing a record of any transaction relating to any property or any other person to furnish any information in relation to any person, point or matter as in his opinion shall be useful for or relevant for the purposes of this Act.

(2) Without prejudice to sub-section (1), every officer or person referred to in sub-section (1) shall furnish such information to any authority under this Act in such form and manner as may be prescribed.

**22.** (1) Where any books of account or other documents are produced before the authority in any proceedings under this Act and the authority in this behalf has reason to believe that any of the books of account or other documents are required to be impounded and retained for any inquiry under this Act, it may impound and retain the books of account or other documents for a period not exceeding three months from the date of order of attachment made by the Adjudicating Authority under sub-section (3) of section 26:

Certain  
officers to  
assist in  
inquiry, etc.

Power to call  
for  
information.

Power of  
authority to  
impound  
documents.

Provided that the period for retention of the books of account or other documents may be extended beyond a period exceeding three months from the date of order of attachment made by the Adjudicating Authority under sub-section (3) of section 26 where the authority records in writing the reasons for extending the same.

(2) Where the authority impounding and retaining the books of account or other documents, under sub-section (1) is the Initiating Officer, he shall obtain approval of the Approving Authority within a period of fifteen days from the date of initial impounding and seek further approval of the Approving Authority for extending the period of initial retention, before the expiry of the period of initial retention, if so required.

(3) The period of retention of the books of account or other documents under sub-section (1) shall in no case exceed a period of thirty days from the date of conclusion of all the proceedings under this Act.

(4) The person, from whom the books of account or other documents were impounded under sub-section (1), shall be entitled to obtain copies thereof.

(5) On the expiry of the period specified under sub-section (1), the books of account or other documents shall be returned to the person from whom such books of account or other documents were impounded unless the Approving Authority or the Adjudicating Authority permits their release to any other person.

**23.** The Initiating Officer, after obtaining prior approval of the Approving Authority, shall have power to conduct or cause to be conducted any inquiry or investigation in respect of any person, place, property, assets, documents, books of account or other documents, in respect of any other relevant matters under this Act.

Power of authority to conduct inquiry, etc.

#### CHAPTER IV

##### ATTACHMENT, ADJUDICATION AND CONFISCATION

**24.** (1) Where the Initiating Officer, on the basis of material in his possession, has reason to believe that any person is a *benamidar* in respect of a property, he may, after recording reasons in writing, issue a notice to the person to show cause within such time as may be specified in the notice why the property should not be treated as *benami* property.

Notice and attachment of property involved in *benami* transaction.

(2) Where a notice under sub-section (1) specifies any property as being held by a *benamidar* referred to in that sub-section, a copy of the notice shall also be issued to the beneficial owner if his identity is known.

(3) Where the Initiating Officer is of the opinion that the person in possession of the property held *benami* may alienate the property during the period specified in the notice, he may, with the previous approval of the Approving Authority, by order in writing, attach provisionally the property in the manner as may be prescribed, for a period not exceeding ninety days from the date of issue of notice under sub-section (1).

(4) The Initiating Officer, after making such inquiries and calling for such reports or evidence as he deems fit and taking into account all relevant materials, shall, within a period of ninety days from the date of issue of notice under sub-section (1),—

(a) where the provisional attachment has been made under sub-section (3), —

(i) pass an order continuing the provisional attachment of the property with the prior approval of the Approving Authority, till the passing of the order by the Adjudicating Authority under sub-section (3) of section 26; or

(ii) revoke the provisional attachment of the property with the prior approval of the Approving Authority;

(b) where provisional attachment has not been made under sub-section (3),—

(i) pass an order provisionally attaching the property with the prior approval of the Approving Authority, till the passing of the order by the Adjudicating Authority under sub-section (3) of section 26; or

(ii) decide not to attach the property as specified in the notice, with the prior approval of the Approving Authority.

(5) Where the Initiating Officer passes an order continuing the provisional attachment of the property under sub-clause (i) of clause (a) of sub-section (4) or passes an order provisionally attaching the property under sub-clause (i) of clause (b) of that sub-section, he shall, within fifteen days from the date of the attachment, draw up a statement of the case and refer it to the Adjudicating Authority.

Manner of  
service of  
notice.

**25. (1)** A notice under sub-section (1) of section 24 may be served on the person named therein either by post or as if it were a summons issued by a Court under the Code of Civil Procedure, 1908.

5 of 1908.

(2) Any notice referred to in sub-section (1) may be addressed—

(i) in case of an individual, to such individual;

(ii) in the case of a firm, to the managing partner or the manager of the firm;

(iii) in the case of a Hindu undivided family, to *Karta* or any member of such family;

(iv) in the case of a company, to the principal officer thereof;

(v) in the case of any other association or body of individuals, to the principal officer or any member thereof;

(vi) in the case of any other person (not being an individual), to the person who manages or controls his affairs.

Adjudication  
of *benami*  
property.

**26. (1)** On receipt of a reference under sub-section (5) of section 24, the Adjudicating Authority shall issue notice, to furnish such documents, particulars or evidence as is considered necessary on a date to be specified therein, on the following persons, namely:—

(a) the person specified as a *benamidar* therein;

(b) any person referred to as the beneficial owner therein or identified as such;

(c) any interested party, including a banking company;

(d) any person who has made a claim in respect of the property:

Provided that the Adjudicating Authority shall issue notice within a period of thirty days from the date on which a reference has been received:

Provided further that the notice shall provide a period of not less than thirty days to the person to whom the notice is issued to furnish the information sought.

(2) Where the property is held jointly by more than one person, the Adjudicating Authority shall make all endeavours to serve notice to all persons holding the property:

Provided that where the notice is served on anyone of the persons, the service of notice shall not be invalid on the ground that the said notice was not served to all the persons holding the property.

(3) The Adjudicating Authority shall, after—

(a) considering the reply, if any, to the notice issued under sub-section (1);

(b) making or causing to be made such inquiries and calling for such reports or evidence as it deems fit; and

(c) taking into account all relevant materials,

provide an opportunity of being heard to the person specified as a *benamidar* therein, the Initiating Officer, and any other person who claims to be the owner of the property, and, thereafter, pass an order—

(i) holding the property not to be a *benami* property and revoking the attachment order; or

(ii) holding the property to be a *benami* property and confirming the attachment order, in all other cases.

(4) Where the Adjudicating Authority is satisfied that some part of the properties in respect of which reference has been made to him is *benami* property, but is not able to specifically identify such part, he shall record a finding to the best of his judgment as to which part of the properties is held *benami*.

(5) Where in the course of proceedings before it, the Adjudicating Authority has reason to believe that a property, other than a property referred to it by the Initiating Officer is *benami* property, it shall provisionally attach the property and the property shall be deemed to be a property referred to it on the date of receipt of the reference under sub-section (5) of section 24.

(6) The Adjudicating Authority may, at any stage of the proceedings, either on the application of any party, or *suo motu*, strike out the name of any party improperly joined or add the name of any person whose presence before the Adjudicating Authority may be necessary to enable him to adjudicate upon and settle all the questions involved in the reference.

(7) No order under sub-section (3) shall be passed after the expiry of one year from the end of the month in which the reference under sub-section (5) of section 24 was received.

(8) The *benamidar* or any other person who claims to be the owner of the property may either appear in person or take the assistance of an authorised representative of his choice to present his case.

*Explanation.*—For the purposes of sub-section (8), authorised representative means a person authorised in writing, being—

(i) a person related to the *benamidar* or such other person in any manner, or a person regularly employed by the *benamidar* or such other person as the case may be; or

(ii) any officer of a scheduled bank with which the *benamidar* or such other person maintains an account or has other regular dealings; or

(iii) any legal practitioner who is entitled to practice in any civil court in India; or

(iv) any person who has passed any accountancy examination recognised in this behalf by the Board; or

(v) any person who has acquired such educational qualifications as the Board may prescribe for this purpose.

27. (1) Where an order is passed in respect of any property under sub-section (3) of section 26 holding such property to be a *benami* property, the Adjudicating Authority shall, after giving an opportunity of being heard to the person concerned, make an order confiscating the property held to be a *benami* property:

Confiscation  
and vesting of  
*benami*  
property.

Provided that where an appeal has been filed against the order of the Adjudicating Authority, the confiscation of property shall be made subject to the order passed by the Appellate Tribunal under section 46:

Provided further that the confiscation of the property shall be made in accordance with such procedure as may be prescribed.

(2) Nothing in sub-section (1) shall apply to a property held or acquired by a person from the *benamidar* for adequate consideration, prior to the issue of notice under sub-section (1) of section 24 without his having knowledge of the *benami* transaction.

(3) Where an order of confiscation has been made under sub-section (1), all the rights and title in such property shall vest absolutely in the Central Government free of all encumbrances and no compensation shall be payable in respect of such confiscation.

(4) Any right of any third person created in such property with a view to defeat the purposes of this Act shall be null and void.

(5) Where no order of confiscation is made upon the proceedings under this Act attaining finality, no claim shall lie against the Government.

Management  
of properties  
confiscated.

**28. (1)** The Administrator shall have the power to receive and manage the property, in relation to which an order of confiscation under sub-section (1) of section 27 has been made, in such manner and subject to such conditions, as may be prescribed.

(2) The Central Government may, by order published in the Official Gazette, notify as many of its officers as it thinks fit, to perform the functions of Administrators.

(3) The Administrator shall also take such measures, as the Central Government may direct, to dispose of the property which is vested in the Central Government under sub-section (3) of section 27, in such manner and subject to such conditions as may be prescribed.

Possession of  
the property.

**29. (1)** Where an order of confiscation in respect of a property under sub-section (1) of section 27, has been made, the Administrator shall proceed to take the possession of the property.

(2) The Administrator shall,—

(a) by notice in writing, order within seven days of the date of the service of notice to any person, who may be in possession of the *benami* property, to surrender or deliver possession thereof to the Administrator or any other person duly authorised in writing by him in this behalf;

(b) in the event of non-compliance of the order referred to in clause (a), or if in his opinion, taking over of immediate possession is warranted, for the purpose of forcibly taking over possession, requisition the service of any police officer to assist him and it shall be the duty of the officer to comply with the requisition.

## CHAPTER V

### APPELLATE TRIBUNAL

Establishment  
of Appellate  
Tribunal.

**30.** The Central Government shall, by notification, establish an Appellate Tribunal to hear appeals against the orders of the Adjudicating Authority under this Act.

Composition,  
etc., of  
Appellate  
Tribunal.

**31. (1)** The Appellate Tribunal shall consist of a Chairperson and at least two other Members of which one shall be a Judicial Member and other shall be an Administrative Member.

(2) Subject to the provisions of this Act,—

(a) the jurisdiction of the Appellate Tribunal may be exercised by Benches thereof;

(b) a Bench may be constituted by the Chairperson with two Members as the Chairperson may deem fit;



(c) the Benches of the Appellate Tribunal shall ordinarily sit in the National Capital Territory of Delhi and at such other places as the Central Government may, in consultation with the Chairperson, by notification, specify;

(d) the Central Government shall, by notification, specify the areas in relation to which each Bench of the Appellate Tribunal may exercise its jurisdiction.

(3) Notwithstanding anything contained in sub-section (2), the Chairperson may transfer a Member from one Bench to another Bench.

**32.** (1) A person shall not be qualified for appointment as Chairperson of the Appellate Tribunal unless he is a sitting or retired Judge of a High Court, who has completed not less than five years' of service.

Qualifications for appointment of Chairperson and Members of Appellate Tribunal.

(2) A person shall not be qualified for appointment as a Member unless he—

(a) in the case of a Judicial Member, has been a Member of the Indian Legal Service and has held the post of Additional Secretary or equivalent post in that Service;

(b) in the case of an Administrative Member, has been a Member of the Indian Revenue Service and has held the post of Chief Commissioner of Income-tax or equivalent post in that Service.

(3) No sitting Judge of a High Court shall be appointed under this section except after consultation with the Chief Justice of the High Court.

(4) The Chairperson or a Member holding a post as such in any other Tribunal, established under any law for the time being in force, in addition to his being the Chairperson or a Member of that Tribunal, may be appointed as the Chairperson or a Member, as the case may be, of the Appellate Tribunal under this Act.

**33.** (1) The salary and allowances payable to, and the other terms and conditions of service of the Chairperson and other Members shall be such as may be prescribed and shall not be varied to their disadvantage during their tenure.

Terms and conditions of services of Chairperson and Members of Appellate Tribunal.

(2) Any vacancy caused to the office of the Chairperson or any other Member shall be filled up within a period of three months from the date on which such vacancy occurs.

**34.** The Chairperson and Members of the Appellate Tribunal shall hold office for a term not exceeding five years from the date on which they enter upon their office, or until they attain the age of sixty-five years, whichever is earlier and shall not be eligible for reappointment.

Term of office of Chairperson and Members.

**35.** (1) The Central Government may, in consultation with the Chief Justice of High Court, remove from office of the Chairperson or any Member, who—

Removal of Chairperson and Member from office in certain circumstances.

(a) has been adjudged as an insolvent; or

(b) has been convicted of an offence which, in the opinion of the Central Government involves moral turpitude; or

(c) has become physically or mentally incapable; or

(d) has acquired such financial or other interest as is likely to affect prejudicially his functions; or

(e) has so abused his position as to render his continuance in office prejudicial to the public interest.

(2) The Chairperson or Judicial Member shall not be removed from his office except by an order made by the Central Government after an inquiry made by Chief Justice of the High Court in which the Chairperson or Judicial Member has been informed of the charges against him and given a reasonable opportunity of being heard in respect of those charges.

(3) The Central Government may suspend from office the Chairperson or Judicial Member in respect of whom a reference of conducting an inquiry has been made to the

Chief Justice of the High Court under sub-section (2), until the Central Government passes an order on receipt of the report of inquiry made by Chief Justice of the High Court on the reference.

(4) The Central Government may regulate the procedure for inquiry referred to in sub-section (2) in the manner as may be prescribed.

(5) The Administrative Member may be removed from his office by an order of the Central Government on the grounds specified in sub-section (1) and in accordance with the procedure notified by the Central Government:

Provided that the Administrative Member shall not be removed unless he has been given an opportunity of being heard in the matter.

**36.** No act or proceeding of the Appellate Tribunal shall be invalid merely by reason of—

(a) any vacancy in, or any defect in the constitution of the Tribunal; or

(b) any defect in the appointment of a person acting as a Member of the Tribunal; or

(c) any irregularity in the procedure of the Tribunal not affecting the merits of the case.

**37.** The Chairperson or any other Member may, by notice in writing under his hand addressed to the Central Government, resign his office:

Provided that the Chairperson or any other Member shall, unless he is permitted by the Central Government to relinquish his office sooner, continue to hold office until the expiry of three months from the date of receipt of the notice or until a person duly appointed as his successor enters upon his office or until the expiry of his term of office, whichever is earlier.

**38. (1)** In the event of the occurrence of any vacancy in the office of the Chairperson of the Appellate Tribunal by reason of his death, resignation or otherwise, the senior-most Member shall act as the Chairperson until the date on which a new Chairperson, appointed in accordance with the provisions of this Act to fill such vacancy, enters upon his office.

(2) When the Chairperson is unable to discharge his functions owing to absence, illness or any other cause, the senior-most Member shall discharge the functions of the Chairperson until the date on which the Chairperson resumes his duties.

**39. (1)** The Central Government shall provide the Appellate Tribunal with such officers and employees as it may think fit.

(2) The officers and employees of the Appellate Tribunal shall discharge their functions under the general superintendence of the Chairperson.

(3) The salaries and allowances and other conditions of service of the officers and employees of the Appellate Tribunal shall be such, as may be prescribed.

**40. (1)** The Appellate Tribunal shall not be bound by the procedure laid down by the Code of Civil Procedure, 1908, but shall be guided by the principles of natural justice and, subject to the other provisions of this Act, the Appellate Tribunal shall have powers to regulate its own procedure.

(2) The Appellate Tribunal shall, for the purposes of discharging its functions under this Act, have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908 while trying a suit, in respect of the following matters, namely:—

(a) summoning and enforcing the attendance of any person and examining him on oath;

(b) requiring the discovery and production of documents;

(c) receiving evidence on affidavits;

5 of 1908.

5 of 1908.

Vacancies,  
etc., not to  
invalidate  
proceedings  
of Appellate  
Tribunal.

Resignation  
and removal.

Member to  
act as  
Chairperson  
in certain  
circumstances.

Staff of  
Appellate  
Tribunal.

Procedure and  
powers of  
Appellate  
Tribunal.



- 1 of 1872.
- (d) subject to the provisions of sections 123 and 124 of the Indian Evidence Act, 1872, requisitioning any public record or document or copy of such record or document from any office;
  - (e) issuing commissions for the examination of witnesses or documents;
  - (f) reviewing its decisions;
  - (g) dismissing a representation for default or deciding it *ex parte*;
  - (h) setting aside any order of dismissal of any representation for default or any order passed by it *ex parte*; and
  - (i) any other matter, which may be, prescribed by the Central Government.

(3) An order made by the Appellate Tribunal under this Act shall be executable by it as a decree of civil court and, for this purpose, the Appellate Tribunal shall have all the powers of a civil court.

(4) Notwithstanding anything contained in sub-section (3), the Appellate Tribunal may transmit any order made by it to a civil court having jurisdiction and the civil court shall execute the order as if it were a decree made by that court.

- 45 of 1860.  
2 of 1974.
- (5) All proceedings before the Appellate Tribunal shall be deemed to be judicial proceedings within the meaning of sections 193 and 228 of the Indian Penal Code and the Appellate Tribunal shall be deemed to be a civil court for the purposes of sections 345 and 346 of the Code of Criminal Procedure, 1973.

**41.** Where any Benches are constituted, the Chairperson may, from time to time, by notification, make provision as to the distribution of the business of the Appellate Tribunal amongst the Benches and also provide for the matters which may be dealt with by each Bench.

Distribution of business amongst Benches of Appellate Tribunal.

**42.** On the application of any of the parties and notice to the parties, and after hearing them, or on his own motion without any notice, the Chairperson of the Appellate Tribunal may transfer any case pending before one Bench, for disposal, to any other Bench.

Power of Chairperson of Appellate Tribunal to transfer cases.

**43.** If the Members of a Bench consisting of two Members differ in opinion on any point, they shall state the point or points on which they differ, and make a reference to the Chairperson of the Appellate Tribunal who shall either hear the point or points himself or refer the case for hearing on the point or points by one or more of the other Members and the point or points shall be decided according to the opinion of the majority of the Members of the Appellate Tribunal who have heard the case, including those who first heard it.

Decision to be by majority.

- 45 of 1860.
- 44.** The Chairperson, Members and other officers and employees of the Appellate Tribunal, the Adjudicating Authority, Approving Authority, Initiating Officer, Administrator and the officers subordinate to all of them shall be deemed to be public servants within the meaning of section 21 of the Indian Penal Code.

Members, etc., to be public servants.

**45.** No civil court shall have jurisdiction to entertain any suit or proceeding in respect of any matter which any of the authorities, an Adjudicating Authority or the Appellate Tribunal is empowered by or under this Act to determine, and no injunction shall be granted by any court or other forum in respect of any action taken or to be taken in pursuance of any power conferred by or under this Act.

Bar of jurisdiction of civil courts.

**46. (1)** Any person, including the Initiating Officer, aggrieved by an order of the Adjudicating Authority may prefer an appeal in such form and along with such fees, as may be prescribed, to the Appellate Tribunal against the order passed by the Adjudicating Authority under sub-section (3) of section 26, within a period of forty-five days from the date of the order.

Appeals to Appellate Tribunal.

(2) The Appellate Tribunal may entertain any appeal after the said period of forty-five days, if it is satisfied that the appellant was prevented, by sufficient cause, from filing the appeal in time.

(3) On receipt of an appeal under sub-section (1), the Appellate Tribunal may, after giving the parties to the appeal an opportunity of being heard, pass such orders thereon as it thinks fit.

(4) An Appellate Tribunal while deciding the appeal shall have the power—

(a) to determine a case finally, where the evidence on record is sufficient;

(b) to take additional evidence or to require any evidence to be taken by the Adjudicating Authority, where the Adjudicating Authority has refused to admit evidence, which ought to have been admitted;

(c) to require any document to be produced or any witness to be examined for the purposes of proceeding before it;

(d) to frame issues which appear to the Appellate Tribunal essential for adjudication of the case and refer them to the Adjudicating Authority for determination;

(e) to pass final order and affirm, vary or reverse an order of adjudication passed by the Adjudicating Authority and pass such other order or orders as may be necessary to meet the ends of justice.

(5) The Appellate Tribunal, as far as possible, may hear and finally decide the appeal within a period of one year from the last date of the month in which the appeal is filed.

Rectification  
of mistakes.

**47.** (1) The Appellate Tribunal or the Adjudicating Authority may, in order to rectify any mistake apparent on the face of the record, amend any order made by it under section 26 and section 46 respectively, within a period of one year from the end of the month in which the order was passed.

(2) No amendment shall be made under sub-section (1), if the amendment is likely to affect any person prejudicially, unless he has been given notice of intention to do so and has been given an opportunity of being heard.

Right to  
representation.

**48.** (1) A person preferring an appeal to the Appellate Tribunal under this Act may either appear in person or take the assistance of an authorised representative of his choice to present his case before the Appellate Tribunal.

(2) The Central Government may authorise one or more of its officers to act as presenting officers on its behalf, and every person so authorised may present the case with respect to any appeal before the Appellate Tribunal.

*Explanation.*—For the purposes of this section, "authorised representative" means a person authorised by the appellant in writing to appear on his behalf, being—

(i) a person related to the appellant in any manner, or a person regularly employed by the appellant; or

(ii) any officer of a scheduled bank with which the appellant maintains an account or has other regular dealings; or

(iii) any legal practitioner who is entitled to practice in any civil court in India; or

(iv) any person who has passed any accountancy examination recognised in this behalf by the Board; or

(v) any person who has acquired such educational qualifications as the Board may prescribe for this purpose.

49. (1) Any party aggrieved by any decision or order of the Appellate Tribunal may file an appeal to the High Court within a period of sixty days from the date of communication of the decision or order of the Appellate Tribunal to him on any question of law arising out of such order.

Appeal to  
High Court.

(2) The High Court may entertain any appeal after the said period of sixty days, if it is satisfied that the appellant was prevented by sufficient cause from filing the appeal within the period specified in sub-section (1).

(3) Where the High Court is satisfied that a substantial question of law is involved in any case, it shall formulate that question.

(4) The appeal shall be heard only on the question so formulated, and the respondents shall, at the hearing of the appeal, be allowed to argue that the case does not involve such question.

(5) Nothing in this sub-section shall be deemed to take away or abridge the power of the court to hear, for reasons to be recorded, the appeal on any other substantial question of law not formulated by it, if it is satisfied that the case involves such question.

(6) The High Court shall decide the question of law so formulated and deliver the judgment thereon containing the grounds on which any decision is founded and may award any cost as it deems fit.

(7) The High Court may determine any issue which—

(a) has not been determined by the Appellate Tribunal; or

(b) has been wrongly determined by the Appellate Tribunal, by reason of a decision on such question of law as is referred to in sub-section (1).

5 of 1908.

(8) Save as otherwise provided in this Act, the provisions of the Code of Civil Procedure, 1908, relating to appeals to the High Court shall, as far as may be, apply in the case of appeals under this section.

## CHAPTER VI

### SPECIAL COURTS

50. (1) The Central Government, in consultation with the Chief Justice of the High Court, shall, for trial of an offence punishable under this Act, by notification, designate one or more Courts of Session as Special Court or Special Courts for such area or areas or for such case or class or group of cases as may be specified in the notification.

Special  
Courts.

(2) While trying an offence under this Act, a Special Court shall also try an offence other than an offence referred to in sub-section (1), with which the accused may, under the Code of Criminal Procedure, 1973, be charged at the same trial.

2 of 1974.

(3) The Special Court shall not take cognizance of any offence punishable under this Act except upon a complaint in writing made by—

(i) the authority; or

(ii) any officer of the Central Government or State Government authorised in writing by that Government by a general or special order made in this behalf.

(4) Every trial under this section shall be conducted as expeditiously as possible and every endeavour shall be made by the Special Court to conclude the trial within six months from the date of filing of the complaint.

Application of Code of Criminal Procedure, 1973 to proceedings before Special Court.

**51.** (1) Save as otherwise provided in this Act, the provisions of the Code of Criminal Procedure, 1973, shall apply to the proceedings before a Special Court and the persons conducting the prosecution before the Special Court, shall be deemed to be Public Prosecutors:

2 of 1974.

Provided that the Central Government may also appoint for any case or class or group of cases, a Special Public Prosecutor.

(2) A person shall not be qualified to be appointed as a Public Prosecutor or a Special Public Prosecutor under this section unless, the Public Prosecutor has been in practice as an advocate for not less than seven years, and the Special Public Prosecutor has been in practice as an advocate for not less than ten years in any court.

(3) Every person appointed as a Public Prosecutor or a Special Public Prosecutor under this section shall be deemed to be a Public Prosecutor within the meaning of clause (u) of section 2 of the Code of Criminal Procedure, 1973 and the provisions of that Code shall have effect accordingly.

2 of 1974.

Appeal and revision.

**52.** The High Court may exercise, so far as may be applicable, all the powers conferred by Chapter XXIX or Chapter XXX of the Code of Criminal Procedure, 1973, on a High Court, as if a Special Court within the local limits of the jurisdiction of the High Court were a Court of Session trying cases within the local limits of the jurisdiction of the High Court.

2 of 1974.

## CHAPTER VII

### OFFENCES AND PROSECUTION

Penalty for *benami* transaction.

**53.** (1) Where any person enters into a *benami* transaction in order to defeat the provisions of any law or to avoid payment of statutory dues or to avoid payment to creditors, the beneficial owner, *benamidar* and any other person who abets or induces any person to enter into the *benami* transaction, shall be guilty of the offence of *benami* transaction.

(2) Whoever is found guilty of the offence of *benami* transaction referred to in sub-section (1) shall be punishable with rigorous imprisonment for a term which shall not be less than one year, but which may extend to seven years and shall also be liable to fine which may extend to twenty-five per cent. of the fair market value of the property.

Penalty for false information.

**54.** Any person who is required to furnish information under this Act knowingly gives false information to any authority or furnishes any false document in any proceeding under this Act, shall be punishable with rigorous imprisonment for a term which shall not be less than six months but which may extend to five years and shall also be liable to fine which may extend to ten per cent. of the fair market value of the property .

Previous sanction.

**55.** No prosecution shall be instituted against any person in respect of any offence under sections 3, 53 or section 54 without the previous sanction of the Board.'.

Substitution of new Chapter VIII for sections 7 and 8.

**10.** For sections 7 and 8 of the principal Act, the following shall be substituted, namely:—

## ‘CHAPTER VIII

### MISCELLANEOUS

Repeal of provisions of certain Acts.

**56.** (1) Sections 81, 82 and 94 of the Indian Trusts Act, 1882, section 66 of the Code of Civil Procedure, 1908 and section 281A of the Income-tax Act, 1961, are hereby repealed.

2 of 1882.

5 of 1908.

43 of 1961.

(2) For the removal of doubts, it is hereby declared that nothing in sub-section (1) shall affect the continued operation of section 281A of the Income-tax Act, 1961 in the State of Jammu and Kashmir.

43 of 1961.

4 of 1882.

**57.** Notwithstanding anything contained in the Transfer of the Property Act, 1882 or any other law for the time being in force, where, after the issue of a notice under section 24, any property referred to in the said notice is transferred by any mode whatsoever, the transfer shall, for the purposes of the proceedings under this Act, be ignored and if the property is subsequently confiscated by the Central Government under section 27, then, the transfer of the property shall be deemed to be null and void.

Certain transfers to be null and void.

**58. (1)** The Central Government may, by notification, exempt any property relating to charitable or religious trusts from the operation of this Act.

Exemption.

(2) Every notification issued under sub-section (1) shall be laid before each House of Parliament.

**59. (1)** The Central Government may, from time to time, issue such orders, instructions or directions to the authorities or require any person to furnish information as it may deem fit for the proper administration of this Act and such authorities and all other persons employed in execution of this Act shall observe and follow the orders, instructions and directions of the Central Government.

Power of Central Government to issue directions, etc.

(2) In issuing the directions or orders referred to in sub-section (1), the Central Government may have regard to anyone or more of the following criteria, namely:—

(a) territorial area;

(b) classes of persons;

(c) classes of cases; and

(d) any other criterion that may be specified by the Central Government in this behalf.

(3) No orders, instructions or directions under sub-section (1) shall be issued so as to—

(a) require any authority to decide a particular case in a particular manner; or

(b) interfere with the discretion of the Adjudicating Authority in the discharge of its functions.

**60.** The provisions of this Act shall be in addition to, and not, save as hereinafter expressly provided, in derogation of any other law for the time being in force.

Application of other laws not barred.

2 of 1974.

**61.** Notwithstanding anything contained in the Code of Criminal Procedure, 1973, an offence under this Act shall be non-cognizable.

Offences to be non-cognizable.

**62. (1)** Where a person committing contravention of any of the provisions of this Act or of any rule, direction or order made thereunder is a company, every person who, at the time the contravention was committed, was in charge of, and was responsible to, the company, for the conduct of the business of the company as well as the company, shall be deemed to be guilty of the contravention and shall be liable to be proceeded against and punished accordingly.

Offences by companies.

(2) Nothing contained in sub-section (1), shall render any person liable to punishment if he proves that the contravention took place without his knowledge.

(3) Notwithstanding anything contained in sub-section (1), where a contravention of any of the provisions of this Act or of any rule, direction or order made thereunder has been committed by a company and it is proved that the contravention has taken place with the consent or connivance of, or is attributable to any neglect on the part of any director, manager, secretary or other officer of the company, the director, manager,

secretary or other officer shall also be deemed to be guilty of the contravention and shall be liable to be proceeded against and punished accordingly.

*Explanation.*—For the purposes of this section,—

(a) "company" means a body corporate, and includes—

(i) a firm; and

(ii) an association of persons or a body of individuals whether incorporated or not; and

(b) "director", in relation to—

(i) a firm, means a partner in the firm;

(ii) any association of persons or a body of individuals, means any member controlling the affairs thereof.

Notice, etc.,  
not to be  
invalid on  
certain  
grounds.

**63.** No notice, summons, order, document or other proceeding, furnished or made or issued or taken or purported to have been furnished or made or issued or taken in pursuance of any of the provisions of this Act shall be invalid, or shall be deemed to be invalid merely by reason of any mistake, defect or omission in the notice, summons, order, document or other proceeding if the notice, summons, order, document or other proceeding is in substance and effect in conformity with or according to the intent and purpose of this Act.

Protection of  
action taken in  
good faith.

**64.** No prosecution, suit or other proceeding shall lie against the Government or any officer of the Government or the Appellate Tribunal or the Adjudicating Authority established under this Act, for anything done or intended to be done in good faith under this Act.

Transfer of  
pending cases.

**65.** (1) Every suit or proceeding in respect of a *benami* transaction pending in any Court (other than a High Court) or Tribunal or before any forum on the date of the commencement of this Act shall stand transferred to the Adjudicating Authority or the Appellate Tribunal, as the case may be, having jurisdiction in the matter.

(2) Where any suit, or other proceeding stands transferred to the Adjudicating Authority or the Appellate Tribunal under sub-section (1),—

(a) the court, Tribunal or other forum shall, as soon as may be, after the transfer, forward the records of the suit, or other proceeding to the Adjudicating Authority or the Appellate Tribunal, as the case may be;

(b) the Adjudicating Authority may, on receipt of the records, proceed to deal with the suit, or other proceeding, so far as may be, in the same manner as in the case of a reference made under sub-section (5) of section 24, from the stage which was reached before the transfer or from any earlier stage or *de novo* as the Adjudicating Authority may deem fit.

Proceedings,  
etc., against  
legal  
representative.

**66.** (1) Where a person dies during the course of any proceeding under this Act, any proceeding taken against the deceased before his death shall be deemed to have been taken against the legal representative and may be continued against the legal representative from the stage at which it stood on the date of the death of the deceased.

(2) Any proceeding which could have been taken against the deceased if he had survived may be taken against the legal representative and all the provisions of this Act, except sub-section (2) of section 3 and the provisions of Chapter VII, shall apply accordingly.

(3) Where any property of a person has been held *benami* under sub-section (3) of section 26, then, it shall be lawful for the legal representative of the person to prefer an appeal to the Appellate Tribunal, in place of the person and the provisions of section 46 shall, so far as may be, apply, or continue to apply, to the appeal.



**67.** The provisions of this Act shall have effect, notwithstanding anything inconsistent therewith contained in any other law for the time being in force.

Act to have overriding effect.

**68.** (1) The Central Government may, by notification, make rules for carrying out the provisions of this Act.

Power to make rules.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) manner of ascertaining the fair market value under clause 16 of section 2;

(b) the manner of appointing the Chairperson and the Member of the Adjudicating Authorities under sub-section (2) of section 9;

(c) the salaries and allowances payable to the Chairperson and the Members of the Adjudicating Authority under sub-section (1) of section 13;

(d) the powers and functions of the authorities under sub-section (2) of section 18;

(e) other powers of the authorities under clause (f) of sub-section (1) of section 19;

(f) the form and manner of furnishing any information to the authority under sub-section (2) of section 21;

(g) the manner of provisional attachment of property under sub-section (3) of section 24;

(h) the procedure for confiscation of *benami* property under the second proviso to sub-section (1) of section 27;

(i) the manner and conditions to receive and manage the property under sub-section (1) of section 28;

(j) the manner and conditions of disposal of property vested in the Central Government under sub-section (3) of section 28;

(k) the salaries and allowances payable to and the other terms and conditions of service of the Chairperson and other Members of the Appellate Tribunal under sub-section (1) of section 33;

(l) the manner of prescribing procedure for removal of Chairperson or Member under sub-section (4) of section 35;

(m) the salaries and allowances payable to and the other terms and conditions of service of the officers and employees of the Appellate Tribunal under sub-section (3) of section 39;

(n) any power of the Appellate Tribunal under clause (i) of sub-section (2) of section 40;

(o) the form in which appeal shall be filed and the fee for filing the appeal under sub-section (1) of section 46;

(p) any other matter which is to be, or may be, prescribed, or in respect of which provision is to be made, by rules.

**69.** Every rule made and notification issued under this Act shall be laid, as soon as may be after it is made or issued, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rules or notifications, as the case may be, both Houses

Laying of rules and notifications before Parliament.

agree that the rules or notifications, as the case may be, should not be made or issued, the rule or notification, as the case may be, shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or notification, as the case may be.

Power to  
remove  
difficulties.

**70.** (1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order, published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act as may appear to be necessary for removing the difficulty.

(2) No order shall be made under this section after the expiry of two years from the commencement of this Act.

(3) Every order made under this section shall be laid, as soon as may be after it is made, before each House of Parliament.

Transitional  
provision.

**71.** The Central Government may, by notification, provide that until the Adjudicating Authorities are appointed and the Appellate Tribunal is established under this Act, the Adjudicating Authority appointed under sub-section (1) of section 6 of the Money-Laundering Act, 2002 and the Appellate Tribunal established under section 25 of that Act may discharge the functions of the Adjudicating Authority and Appellate Tribunal, respectively, under this Act.’

15 of 2003.

Amendment  
of section 9.

**11.** Section 9 of the principal Act shall be renumbered as section 72 thereof.



**Assented to on 12th August, 2016**

**Act No. 44 of 2016**

**THE ENFORCEMENT OF SECURITY INTEREST AND RECOVERY  
OF DEBTS LAWS AND MISCELLANEOUS PROVISIONS  
(AMENDMENT) ACT, 2016**

AN

ACT

*further to amend the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, the Recovery of Debts due to Banks and Financial Institutions Act, 1993, the Indian Stamp Act, 1899, and the Depositories Act, 1996, and for matters connected therewith or incidental thereto.*

BE it enacted by Parliament in the Sixty-seventh Year of the Republic of India as follows:—

**CHAPTER I**

**PRELIMINARY**

**1. (1)** This Act may be called the Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Act, 2016.

Short title  
and  
commencement.

**(2)** It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint:

Provided that different dates may be appointed for different provisions of this Act, and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

## CHAPTER II

AMENDMENTS TO THE SECURITISATION AND RECONSTRUCTION OF FINANCIAL ASSETS AND  
ENFORCEMENT OF SECURITY INTEREST ACT, 2002Amendment  
of long title.

2. In the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, (hereinafter referred to in this Chapter as the principal Act), for the long title, the following shall be substituted, namely:— 54 of 2002.

"An Act to regulate securitisation and reconstruction of financial assets and enforcement of security interest and to provide for a Central database of security interests created on property rights, and for matters connected therewith or incidental thereto."

Substitution  
of references  
to certain  
expressions  
by other  
expressions.

3. Throughout the principal Act,—

(i) for the words "securitisation company", "reconstruction company", "securitisation or reconstruction company", "securitisation company or the reconstruction company" or "securitisation company or a reconstruction company", wherever they occur, the words "asset reconstruction company" shall be substituted;

(ii) for the words "securitisation companies or reconstruction companies", wherever they occur, the words "asset reconstruction companies" shall be substituted;

(iii) for the words "qualified institutional buyer", wherever they occur, the words "qualified buyer" shall be substituted;

(iv) for the words "qualified institutional buyers", wherever they occur, the words "qualified buyers" shall be substituted.

Amendment  
of section 2.

4. In the principal Act, in section 2, in sub-section (1),—

(i) after clause (b), the following clause shall be inserted, namely:—

'(ba) "asset reconstruction company" means a company registered with Reserve Bank under section 3 for the purposes of carrying on the business of asset reconstruction or securitisation, or both;'

(ii) in clause (f), after the words "financial institution in relation to such financial assistance", the words "or who has raised funds through issue of debt securities" shall be inserted;

(iii) after clause (g), the following clause shall be inserted namely:—

'(ga) "company" means a company as defined in clause (20) of section 2 of the Companies Act, 2013;'

18 of 2013.

(iv) for clause (ha), the following clause shall be substituted, namely:—

'(ha) "debt" shall have the meaning assigned to it in clause (g) of section 2 of the Recovery of Debts Due to Banks and Financial Institutions Act, 1993 and includes—

35 51 of 1993.

(i) unpaid portion of the purchase price of any tangible asset given on hire or financial lease or conditional sale or under any other contract;

(ii) any right, title or interest on any intangible asset or licence or assignment of such intangible asset, which secures the obligation to pay any unpaid portion of the purchase price of such intangible asset or an obligation incurred or credit otherwise extended to enable any borrower to acquire the intangible asset or obtain licence of such asset;'

(v) after clause (i), the following clause shall be inserted, namely:—

'(ia) "debt securities" means debt securities listed in accordance with the regulations made by the Board under the Securities and Exchange Board of India Act, 1992;'

15 of 1992.

(vi) for clause (j), the following clause shall be substituted, namely:—

'(j) "default" means—

(i) non-payment of any debt or any other amount payable by the borrower to any secured creditor consequent upon which the account of such borrower is classified as non-performing asset in the books of account of the secured creditor; or

(ii) non-payment of any debt or any other amount payable by the borrower with respect to debt securities after notice of ninety days demanding payment of dues served upon such borrower by the debenture trustee or any other authority in whose favour security interest is created for the benefit of holders of such debt securities;';

(vii) in clause (k), after the words "any bank or financial institution", the following words shall be inserted, namely:—

"including funds provided for the purpose of acquisition of any tangible asset on hire or financial lease or conditional sale or under any other contract or obtaining assignment or licence of any intangible asset or purchase of debt securities;";

(viii) in clause (l), after sub-clause (v), the following sub-clauses shall be inserted, namely:—

"(va) any beneficial right, title or interest in any tangible asset given on hire or financial lease or conditional sale or under any other contract which secures the obligation to pay any unpaid portion of the purchase price of such asset or an obligation incurred or credit otherwise provided to enable the borrower to acquire such tangible asset; or

(vb) any right, title or interest on any intangible asset or licence or assignment of such intangible asset, which secures the obligation to pay any unpaid portion of the purchase price of such intangible asset or an obligation incurred or credit otherwise extended to enable the borrower to acquire such intangible asset or obtain licence of the intangible asset; or";

(ix) in clause (m), after sub-clause (iii), the following sub-clauses shall be inserted, namely:—

"(iiia) a debenture trustee registered with the Board and appointed for secured debt securities;

(iiib) asset reconstruction company, whether acting as such or managing a trust created for the purpose of securitisation or asset reconstruction, as the case may be;";

(x) after clause (n), the following clause shall be inserted, namely:—

'(ma) "financial lease" means a lease under any lease agreement of tangible asset, other than negotiable instrument or negotiable document, for transfer of lessor's right therein to the lessee for a certain time in consideration of payment of agreed amount periodically and where the lessee becomes the owner of the such assets at the expiry of the term of lease or on payment of the agreed residual amount, as the case may be;';

(xi) after clause (n), the following clause shall be inserted, namely:—

'(na) "negotiable document" means a document, which embodies a right to delivery of tangible assets and satisfies the requirements for negotiability under any law for the time being in force including warehouse receipt and bill of lading;';

(*xii*) in clause (*t*), in sub-clause (*v*), after the words "right of similar nature", the words "as may be prescribed by the Central Government in consultation with Reserve Bank" shall be inserted;

(*xiii*) in clause (*u*), after the words "regulations made thereunder," the words, figures and brackets " any category of non-institutional investors as may be specified by the Reserve Bank under sub-section (*I*) of section 7" shall be inserted;

(*xiv*) clause (*v*) shall be omitted;

(*xv*) clause (*za*) shall be omitted;

(*xvi*) for clause (*zd*), the following clause shall be substituted, namely:—

'(*zd*) "secured creditor" means—

(*i*) any bank or financial institution or any consortium or group of banks or financial institutions holding any right, title or interest upon any tangible asset or intangible asset as specified in clause (*I*);

(*ii*) debenture trustee appointed by any bank or financial institution;  
or

(*iii*) an asset reconstruction company whether acting as such or managing a trust set up by such asset reconstruction company for the securitisation or reconstruction, as the case may be; or

(*iv*) debenture trustee registered with the Board appointed by any company for secured debt securities; or

(*v*) any other trustee holding securities on behalf of a bank or financial institution,

in whose favour security interest is created by any borrower for due repayment of any financial assistance.';

(*xvii*) for clause (*zf*), the following clause shall be substituted, namely:—

'(*zf*) "security interest" means right, title or interest of any kind, other than those specified in section 31, upon property created in favour of any secured creditor and includes—

(*i*) any mortgage, charge, hypothecation, assignment or any right, title or interest of any kind, on tangible asset, retained by the secured creditor as an owner of the property, given on hire or financial lease or conditional sale or under any other contract which secures the obligation to pay any unpaid portion of the purchase price of the asset or an obligation incurred or credit provided to enable the borrower to acquire the tangible asset; or

(*ii*) such right, title or interest in any intangible asset or assignment or licence of such intangible asset which secures the obligation to pay any unpaid portion of the purchase price of the intangible asset or the obligation incurred or any credit provided to enable the borrower to acquire the intangible asset or licence of intangible asset;'

Amendment  
of section 3.

5. In the principal Act, in section 3,—

(*i*) in sub-section (*I*), for clause (*b*), the following clause shall be substituted, namely:—

"(b) having net owned fund of not less than two crore rupees or such other higher amount as the Reserve Bank, may, by notification, specify:";

(ii) in sub-section (3),—

(a) for clause (f), the following clause shall be substituted, namely:—

"(f) that a sponsor of an asset reconstruction company is a fit and proper person in accordance with the criteria as may be specified in the guidelines issued by the Reserve Bank for such persons;"

(b) clause (d) shall be omitted.

(iii) in sub-section (6),—

(a) after the words "any substantial change in its management", the words "including appointment of any director on the board of directors of the asset reconstruction company or managing director or chief executive officer thereof" shall be inserted;

(b) in the *Explanation*, after the words "by way of transfer of shares or", the words "change affecting the sponsorship in the company by way of transfer of shares or" shall be inserted.

6. In the principal Act, in section 5,—

Amendment  
of section 5.

(i) after sub-section (1), the following sub-section shall be inserted, namely:—

"(1A) Any document executed by any bank or financial institution under sub-section (1) in favour of the asset reconstruction company acquiring financial assets for the purposes of asset reconstruction or securitisation shall be exempted from stamp duty in accordance with the provisions of section 8F of the Indian Stamp Act, 1899:

Provided that the provisions of this sub-section shall not apply where the acquisition of the financial assets by the asset reconstruction company is for the purposes other than asset reconstruction or securitisation.";

(ii) after sub-section (2), the following sub-section shall be inserted, namely:—

"(2A) If the bank or financial institution is holding any right, title or interest upon any tangible asset or intangible asset to secure payment of any unpaid portion of the purchase price of such asset or an obligation incurred or credit otherwise provided to enable the borrower to acquire the tangible asset or assignment or licence of intangible asset, such right, title or interest shall vest in the asset reconstruction company on acquisition of such assets under sub-section (1).";

7. In the principal Act, in section 7, in sub-section (1), for the brackets and words "(other than by offer to public)", the words "or such other category of investors including non-institutional investors as may be specified by the Reserve Bank in consultation with the Board, from time to time," shall be substituted.

Amendment  
of section 7.

8. In the principal Act, for section 9, the following section shall be substituted, namely:—

Substitution  
of new  
section for  
section 9.

"9.(1) Without prejudice to the provisions contained in any other law for the time being in force, an asset reconstruction company may, for the purposes of

Measures for  
assets  
reconstruction.

asset reconstruction, provide for any one or more of the following measures, namely:—

- (a) the proper management of the business of the borrower, by change in, or take over of, the management of the business of the borrower;
- (b) the sale or lease of a part or whole of the business of the borrower;
- (c) rescheduling of payment of debts payable by the borrower;
- (d) enforcement of security interest in accordance with the provisions of this Act;
- (e) settlement of dues payable by the borrower;
- (f) taking possession of secured assets in accordance with the provisions of this Act;
- (g) conversion of any portion of debt into shares of a borrower company:

Provided that conversion of any part of debt into shares of a borrower company shall be deemed always to have been valid, as if the provisions of this clause were in force at all material times.

(2) The Reserve Bank shall, for the purposes of sub-section (1), determine the policy and issue necessary directions including the direction for regulation of management of the business of the borrower and fees to be charged.

(3) The asset reconstruction company shall take measures under sub-section (1) in accordance with policies and directions of the Reserve Bank determined under sub-section (2)."

Amendment  
of section 12.

**9.** In the principal Act, in section 12, in sub-section (2), after clause (b), the following clauses shall be inserted, namely:—

- "(c) the fee and other charges which may be charged or incurred for management of financial assets acquired by any asset reconstruction company;
- (d) transfer of security receipts issued to qualified buyers."

Insertion of  
new section  
12B.

**10.** In the principal Act, after section 12A, the following section shall be inserted, namely:—

Power of  
Reserve Bank  
to carry out  
audit and  
inspection.

"12B. (1) The Reserve Bank may, for the purposes of this Act, carry out or caused to be carried out audit and inspection of an asset reconstruction company from time to time.

(2) It shall be the duty of an asset reconstruction company and its officers to provide assistance and cooperation to the Reserve Bank to carry out audit or inspection under sub-section (1).

(3) Where on audit or inspection or otherwise, the Reserve Bank is satisfied that business of an asset reconstruction company is being conducted in a manner detrimental to public interest or to the interests of investors in security receipts issued by such asset reconstruction company, the Reserve Bank may, for securing proper management of an asset reconstruction company, by an order—

- (a) remove the Chairman or any director or appoint additional directors on the board of directors of the asset reconstruction company; or
- (b) appoint any of its officers as an observer to observe the working of the board of directors of such asset reconstruction company:

Provided that no order for removal of Chairman or director under clause (a) shall be made except after giving him an opportunity of being heard.

(4) It shall be the duty of every director or other officer or employee of the asset reconstruction company to produce before the person, conducting an audit or inspection under sub-section (1), all such books, accounts and other documents in his custody or control and to provide him such statements and information relating to the affairs of the asset reconstruction company as may be required by such person within the stipulated time specified by him."

**11. In the principal Act, in section 13,—**

Amendment  
of section 13.

(i) in sub-section (2), the following proviso shall be inserted, namely:—

"Provided that—

(i) the requirement of classification of secured debt as non-performing asset under this sub-section shall not apply to a borrower who has raised funds through issue of debt securities; and

(ii) in the event of default, the debenture trustee shall be entitled to enforce security interest in the same manner as provided under this section with such modifications as may be necessary and in accordance with the terms and conditions of security documents executed in favour of the debenture trustee;"

(iii) for sub-section (8), the following sub-section shall be substituted, namely:—

"(8) Where the amount of dues of the secured creditor together with all costs, charges and expenses incurred by him is tendered to the secured creditor at any time before the date of publication of notice for public auction or inviting quotations or tender from public or private treaty for transfer by way of lease, assignment or sale of the secured assets,—

(i) the secured assets shall not be transferred by way of lease assignment or sale by the secured creditor; and

(ii) in case, any step has been taken by the secured creditor for transfer by way of lease or assignment or sale of the assets before tendering of such amount under this sub-section, no further step shall be taken by such secured creditor for transfer by way of lease or assignment or sale of such secured assets."

**12. In the principal Act, in section 14, in sub-section (1),—**

Amendment  
of section 14.

(i) in the second proviso, after the words "secured assets", the words "within a period of thirty days from the date of application" shall be inserted;

(ii) after the second proviso, the following proviso shall be inserted, namely:—

"Provided further that if no order is passed by the Chief Metropolitan Magistrate or District Magistrate within the said period of thirty days for reasons beyond his control, he may, after recording reasons in writing for the same, pass the order within such further period but not exceeding in aggregate sixty days."

**13. In the principal Act, in section 15, in sub-section (4), the following proviso shall be inserted, namely:—**

Amendment  
of section 15.

"Provided that if any secured creditor jointly with other secured creditors or any asset reconstruction company or financial institution or any other assignee has converted part of its debt into shares of a borrower company and thereby acquired



controlling interest in the borrower company, such secured creditors shall not be liable to restore the management of the business to such borrower."

Amendment  
of section 17.

**14.** In the principal Act, in section 17,—

(i) for the marginal heading "Right to appeal", the words "Application against measures to recover secured debts" shall be substituted;

(ii) after sub-section (1), the following sub-sections shall be inserted, namely:—

"(1A) An application under sub-section (1) shall be filed before the Debts Recovery Tribunal within the local limits of whose jurisdiction—

(a) the cause of action, wholly or in part, arises;

(b) where the secured asset is located; or

(c) the branch or any other office of a bank or financial institution is maintaining an account in which debt claimed is outstanding for the time being.";

(iii) for sub-section (3), the following sub-section shall be substituted, namely:—

"(3) If, the Debts Recovery Tribunal, after examining the facts and circumstances of the case and evidence produced by the parties, comes to the conclusion that any of the measures referred to in sub-section (4) of section 13, taken by the secured creditor are not in accordance with the provisions of this Act and the rules made thereunder, and require restoration of the management or restoration of possession, of the secured assets to the borrower or other aggrieved person, it may, by order,—

(a) declare the recourse to any one or more measures referred to in sub-section (4) of section 13 taken by the secured creditor as invalid; and

(b) restore the possession of secured assets or management of secured assets to the borrower or such other aggrieved person, who has made an application under sub-section (1), as the case may be; and

(c) pass such other direction as it may consider appropriate and necessary in relation to any of the recourse taken by the secured creditor under sub-section (4) of section 13.";

(iv) after sub-section (4), the following sub-section shall be inserted, namely:—

"(4A) Where—

(i) any person, in an application under sub-section (1), claims any tenancy or leasehold rights upon the secured asset, the Debt Recovery Tribunal, after examining the facts of the case and evidence produced by the parties in relation to such claims shall, for the purposes of enforcement of security interest, have the jurisdiction to examine whether lease or tenancy,—

(a) has expired or stood determined; or

(b) is contrary to section 65A of the Transfer of Property Act, 1882; 4 of 1882.

or

(c) is contrary to terms of mortgage; or

(d) is created after the issuance of notice of default and demand by the Bank under sub-section (2) of section 13 of the Act; and



(ii) the Debt Recovery Tribunal is satisfied that tenancy right or leasehold rights claimed in secured asset falls under the sub-clause (a) or sub-clause (b) or sub-clause (c) or sub-clause (d) of clause (i), then notwithstanding anything to the contrary contained in any other law for the time being in force, the Debt Recovery Tribunal may pass such order as it deems fit in accordance with the provisions of this Act."

**15.** In the principal Act, in section 19, for the words "concerned borrowers, such borrowers", the words "concerned borrowers or any other aggrieved person, who has filed the application under section 17 or section 17A or appeal under section 18 or section 18A, as the case may be, the borrower or such other person" shall be substituted.

Amendment of section 19.

**16.** In the principal Act, after section 20, the following sections shall be inserted, namely:—

Insertion of new sections 20A and 20B.

"20A. (1) The Central Government may, for the purpose of providing a Central database, in consultation with State Governments or other authorities operating registration system for recording rights over any property or creation, modification or satisfaction of any security interest on such property, integrate the registration records of such registration systems with the records of Central Registry established under section 20, in such manner as may be prescribed.

Integration of registration systems with Central Registry.

*Explanation.*—For the purpose of this sub-section, the registration records includes records of registration under the Companies Act, 2013, the Registration Act, 1908, the Merchant Shipping Act, 1958, the Motor Vehicles Act, 1988, the Patents Act, 1970, the Designs Act, 2000 or other such records under any other law for the time being in force.

(2) The Central Government shall after integration of records of various registration systems referred to in sub-section (1) with the Central Registry, by notification, declare the date of integration of registration systems and the date from which such integrated records shall be available; and with effect from such date, security interests over properties which are registered under any registration system referred to in sub-section (1) shall be deemed to be registered with the Central Registry for the purposes of this Act."

"20B. The Central Government may, by notification, delegate its powers and functions under this Chapter, in relation to establishment, operations and regulation of the Central Registry to the Reserve Bank, subject to such terms and conditions as may be prescribed."

Delegation of powers.

**17.** In the principal Act,—

Amendment of section 23.

(i) section 23 shall be numbered as sub-section (1), and in sub-section (1) as so re-numbered,—

(a) the words "within thirty days after the date of such transaction or creation of security, by the securitisation company or reconstruction company or the secured creditor, as the case may be" shall be omitted;

(b) the first proviso shall be omitted;

(c) in the second proviso, the word "further" shall be omitted;

(ii) in section 23, after sub-section (1) so renumbered, the following sub-sections shall be inserted, namely:—

"(2) The Central Government may, by notification, require the registration of transaction relating to different types of security interest created on different kinds of property with the Central Registry.

18 of 2013.  
16 of 1908.  
44 of 1958.  
59 of 1988.  
39 of 1970.  
16 of 2000.

(3) The Central Government may, by rules, prescribe forms for registration for different types of security interest under this section and fee to be charged for such registration."

Insertion of  
new Chapter  
IVA.

**18.** In the principal Act, after section 26A, the following chapter shall be inserted, namely:—

#### "CHAPTER IVA

##### REGISTRATION BY SECURED CREDITORS AND OTHER CREDITORS

Registration  
by secured  
creditors and  
other  
creditors.

26B. (1) The Central Government may by notification, extend the provisions of Chapter IV relating to Central Registry to all creditors other than secured creditors as defined in clause (zd) of sub-section (1) of section 2, for creation, modification or satisfaction of any security interest over any property of the borrower for the purpose of securing due repayment of any financial assistance granted by such creditor to the borrower.

(2) From the date of notification under sub-section (1), any creditor including the secured creditor may file particulars of transactions of creation, modification or satisfaction of any security interest with the Central Registry in such form and manner as may be prescribed.

(3) A creditor other than the secured creditor filing particulars of transactions of creation, modification and satisfaction of security interest over properties created in its favour shall not be entitled to exercise any right of enforcement of securities under this Act.

(4) Every authority or officer of the Central Government or any State Government or local authority, entrusted with the function of recovery of tax or other Government dues and for issuing any order for attachment of any property of any person liable to pay the tax or Government dues, shall file with the Central Registry such attachment order with particulars of the assessee and details of tax or other Government dues from such date as may be notified by the Central Government, in such form and manner as may be prescribed.

(5) If any person, having any claim against any borrower, obtains orders for attachment of property from any court or other authority empowered to issue attachment order, such person may file particulars of such attachment orders with Central Registry in such form and manner on payment of such fee as may be prescribed.

Effect of the  
registration  
of  
transactions,  
etc.

26C. (1) Without prejudice to the provisions contained in any other law, for the time being in force, any registration of transactions of creation, modification or satisfaction of security interest by a secured creditor or other creditor or filing of attachment orders under this Chapter shall be deemed to constitute a public notice from the date and time of filing of particulars of such transaction with the Central Registry for creation, modification or satisfaction of such security interest or attachment order, as the case may be.

(2) Where security interest or attachment order upon any property in favour of the secured creditor or any other creditor are filed for the purpose of registration under the provisions of Chapter IV and this Chapter, the claim of such secured creditor or other creditor holding attachment order shall have priority over any subsequent security interest created upon such property and any transfer by way of sale, lease or assignment or licence of such property or attachment order subsequent to such registration, shall be subject to such claim:

Provided that nothing contained in this sub-section shall apply to transactions carried on by the borrower in the ordinary course of business.

26D. Notwithstanding anything contained in any other law for the time being in force, from the date of commencement of the provisions of this Chapter, no secured creditor shall be entitled to exercise the rights of enforcement of securities under Chapter III unless the security interest created in its favour by the borrower has been registered with the Central Registry.

Right of enforcement of securities.

26E. Notwithstanding anything contained in any other law for the time being in force, after the registration of security interest, the debts due to any secured creditor shall be paid in priority over all other debts and all revenues, taxes, cesses and other rates payable to the Central Government or State Government or local authority.

Priority to secured creditors.

31 of 2016.

*Explanation.*—For the purposes of this section, it is hereby clarified that on or after the commencement of the Insolvency and Bankruptcy Code, 2016, in cases where insolvency or bankruptcy proceedings are pending in respect of secured assets of the borrower, priority to secured creditors in payment of debt shall be subject to the provisions of that Code." .

19. In section 27, the following proviso shall be inserted, namely:—

Amendment of section 27.

"Provided that provisions of this section shall be deemed to have been omitted from the date of coming into force of the provisions of this Chapter and section 23 as amended by the Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Act, 2016."

20. In the principal Act, section 28, shall be omitted.

Omission of section 28.

21. In the principal Act, after section 30, the following sections shall be inserted, namely:—

Insertion of new sections 30A, 30B, 30C and 30D.

"30A. (1) Where any asset reconstruction company or any person fails to comply with any direction issued by the Reserve Bank under this Act the adjudicating authority may, by an order, impose on such company or person in default, a penalty not exceeding one crore rupees or twice the amount involved in such failure where such amount is quantifiable, whichever is more, and where such failure is a continuing one, a further penalty which may extend to one lakh rupees for every day, after the first, during which such failure continues.

Power of adjudicating authority to impose penalty.

(2) For the purpose of imposing penalty under sub-section (1), the adjudicating authority shall serve a notice on the asset reconstruction company or the person in default requiring such company or person to show cause why the amount specified in the notice should not be imposed as a penalty and a reasonable opportunity of being heard shall be given to such person.

(3) Any penalty imposed under this section shall be payable within a period of thirty days from the date of issue of notice under sub-section (2).

(4) Where the asset reconstruction company fails to pay the penalty within the specified period under sub-section (3), the adjudicating authority shall, by an order, cancel its registration:

Provided that an opportunity of being heard shall be given to such asset reconstruction company before cancellation of registration.

(5) No complaint shall be filed against any person in default in any court pertaining to any failure under sub-section (1) in respect of which any penalty has been imposed and recovered by the Reserve Bank under this section.

(6) Where any complaint has been filed against a person in default in the court having jurisdiction no proceeding for imposition of penalty against that person shall be taken under this section.

*Explanation.*—For the purposes of this section and sections 30B, 30C and 30D,—

(i) "adjudicating authority" means such officer or a committee of officers of the Reserve Bank, designated as such from time to time, by notification, by the Central Board of Reserve Bank;

(ii) "person in default" means the asset reconstruction company or any person which has committed any failure, contravention or default under this Act and any person incharge of such company or such other person, as the case may be, shall be liable to be proceeded against and punished under section 33 for such failure or contravention or default committed by such company or person.

Appeal  
against  
penalties.

30B. A person in default, aggrieved by an order passed under sub-section (4) of section 30A, may, within a period of thirty days from the date on which such order is passed, prefer an appeal to the Appellate Authority:

Provided that the Appellate Authority may entertain an appeal after the expiry of the said period of thirty days, if it is satisfied that there was sufficient cause for not filing it within such period.

Appellate  
Authority.

30C. (1) The Central Board of Reserve Bank may designate such officer or committee of officers as it deems fit to exercise the power of Appellate Authority.

(2) The Appellate Authority shall have power to pass such order as it deems fit after providing a reasonable opportunity of being heard to the person in default.

(3) The Appellate Authority may, by an order stay the enforcement of the order passed by the adjudicating authority under section 30A, subject to such terms and conditions, as it deems fit.

(4) Where the person in default fails to comply with the terms and conditions imposed by order under sub-section (3) without reasonable cause, the Appellate Authority may dismiss the appeal.

Recovery of  
penalties.

30D. (1) Any penalty imposed under section 30A shall be recovered as a "recoverable sum" and shall be payable within a period of thirty days from the date on which notice demanding payment of the recoverable sum is served upon the person in default and, in the case of failure of payment by such person within such period, the Reserve Bank may, for the purpose of recovery,—

(a) debit the current account, if any, of the person in default maintained with the Reserve Bank or by liquidating the securities, if any, held to the credit of such person in the books of the Reserve Bank;

(b) issue a notice to the person from whom any amount is due to the person in default, requiring such person to deduct from the amount payable by him to the person in default, such amount equivalent to the amount of the recoverable sum, and to make payment of such amount to the Reserve Bank.

(2) Save as otherwise provided in sub-section (4), a notice issued under clause (b) of sub-section (1) shall be binding on every person to whom it is issued, and, where such notice is issued to a post office, bank or an insurance company, it shall not be necessary to produce any pass book, deposit receipt, policy or any other document for the purpose of any entry or endorsement thereof before payment is made, notwithstanding any rule, practice or requirement to the contrary.

(3) Any claim in respect of any amount, arising after the date of issue of notice under sub-section (1) shall be void as against the demand contained in such notice.

(4) Any person, to whom the notice is sent under sub-section (1), objects to such notice by a statement on oath that the sum demanded or any part thereof is not

due to the person in default or that he does not hold any money for or on account of the person in default, then nothing contained in this section shall be deemed to require, such person to pay such sum or part thereof, as the case may be.

(5) Where it is found that statement made by the person under sub-section (4) is false in material particulars, such person shall be personally liable to the Reserve Bank to the extent of his own liability to the person in default on the date of the notice, or to the extent of the recoverable sum payable by the person in default to the Reserve Bank, whichever is less.

(6) The Reserve Bank may, at any time, amend or revoke any notice issued under sub-section (1) or extend the time for making the payment in pursuance of such notice.

(7) The Reserve Bank shall grant a receipt for any amount paid to it in compliance with a notice issued under this section and the person so paying shall be fully discharged from his liability to the person in default to the extent of the amount so paid.

(8) Any person discharging any liability to the person in default after the receipt of a notice under this section shall be personally liable to the Reserve Bank—

(a) to the extent of his own liability to the person in default so discharged; or

(b) to the extent of the recoverable sum payable by the person in default to the Reserve Bank,

whichever is less.

(9) Where the person to whom the notice is sent under this section, fails to make payment in pursuance thereof to the Reserve Bank, he shall be deemed to be the person in default in respect of the amount specified in the notice and action or proceedings may be taken or instituted against him for the realisation of the amount in the manner provided in this section.

(10) The Reserve Bank may enforce recovery of recoverable sum through the principal civil court having jurisdiction in the area where the registered office or the head office or the principal place of business of the person in default or the usual place of residence of such person is situated as if the notice issued by the Reserve Bank were a decree of the Court.

(11) No recovery under sub-section (10) shall be enforced, except on an application made to the principal civil court by an officer of the Reserve Bank authorised in this behalf certifying that the person in default has failed to pay the recoverable sum."

**22.** In the principal Act, in section 31, clause (e) shall be omitted.

Amendment  
of section 31.

**23.** In the principal Act, in section 31A, for sub-section (2), the following sub-sections shall be substituted, namely:—

Amendment  
of section  
31A.

"(2) A copy of every notification proposed to be issued under sub-section (1), shall be laid in draft before each House of Parliament, while it is in session, for a total period of thirty days, and if, both Houses agree in disapproving the issue of notification or both Houses agree in making any modification in the notification, the notification shall not be issued or, as the case may be, shall be issued only in such modified form as may be agreed upon by both the Houses.

(3) In reckoning any such period of thirty days as is referred to in sub-section (2), no account shall be taken of any period during which the House referred to in sub-section (2) is prorogued or adjourned for more than four consecutive days.

(4) The copies of every notification issued under this section shall, as soon as may be after it has been issued, be laid before each House of Parliament."

Amendment  
of section 32.

**24.** In the principal Act, in section 32, for the words "any secured creditor or any of his officers or manager exercising any of the rights of the secured creditor or borrower", the words "the Reserve Bank or the Central Registry or any secured creditor or any of its officers" shall be substituted.

Amendment  
of section 38.

**25.** In the principal Act, in section 38, in sub-section (2),—

(i) clause (a) shall be numbered as clause (aa) and before clause (aa) as so renumbered, the following clause shall be inserted, namely:—

"(a) other business or commercial rights of similar nature under clause (t) of section 2;"

(ii) after clause (bc), the following clauses shall be inserted, namely:—

"(bca) the manner of integration of records of various registration systems with the records of Central Registry under sub-section (1) of section 20A;

(bcb) the terms and conditions of delegation of powers by the Central Government to the Reserve Bank under section 20B.";

(iii) after clause (d), the following clauses shall be inserted, namely:—

"(da) the form for registration of different types of security interests and fee thereof under sub-section (3) of section 23;"

(iv) after clause (f), the following clauses shall be inserted, namely:—

"(fa) the form and the manner for filing particulars of transactions under sub-section (2) of section 26B;

(fb) the form and manner of filing attachment orders with the Central Registry and the date under sub-section (4) of section 26B;

(fc) the form and manner of filing particulars of attachment order with the Central Registry and the fee under sub-section (5) of section 26B."

### CHAPTER III

#### AMENDMENTS TO THE RECOVERY OF DEBTS DUE TO BANKS AND FINANCIAL INSTITUTIONS ACT, 1993

Amendment  
of section 2.

**26.** In the Recovery of Debts Due to Banks and Financial Institutions Act, 1993 51 of 1993.  
(hereinafter in this Chapter referred to as the principal Act), in section 2,—

(i) in clause (g), after the words "the date of the application", the following words shall be inserted, namely:—

"and includes any liability towards debt securities which remains unpaid in full or part after notice of ninety days served upon the borrower by the debenture trustee or any other authority in whose favour security interest is created for the benefit of holders of debt securities or;"

(ii) after clause (g), the following clause shall be inserted, namely:—

'(ga) "debt securities" means debt securities listed in accordance with regulations made by the Securities Exchange Board of India under the Securities and Exchange Board of India Act, 1992;' 15 of 1992.

(iii) in clause (h), after sub-clause (ia), the following sub-clause shall be inserted, namely:—

"(ib) a debenture trustee registered with the Board and appointed for secured debt securities;"



(iv) after clause (h), the following clause shall be inserted, namely:—

'(ha) "financial lease" means a lease under a lease agreement of tangible asset, other than negotiable instrument or negotiable document, for transfer of lessor's right therein to the lessee for a certain time in consideration of payment of agreed amount periodically and where lessee becomes the owner of the such assets at the expiry of the term of lease or on payment of the agreed residual amount, as the case may be;';

(v) after clause (ja), the following clause shall be inserted, namely:—

'(jb) "property" means—

(a) immovable property;

(b) movable property;

(c) any debt or any right to receive payment of money, whether secured or unsecured;

(d) receivables, whether existing or future;

(e) intangible assets, being know-how, patent, copyright, trade mark, licence, franchise or any other business or commercial right of similar nature, as may be prescribed by the Central Government in consultation with Reserve Bank;';

(vi) after clause (l), the following clauses shall be inserted, namely:—

'(la) "secured creditor" shall have the meaning as assigned to it in clause (zd) of sub-section (1) of section 2 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;

(lb) "security interest" means mortgage, charge, hypothecation, assignment or any other right, title or interest of any kind whatsoever upon property, created in favour of any bank or financial institution and includes—

(a) such right, title or interest upon tangible asset, retained by the bank or financial institution as owner of the property, given on hire or financial lease or conditional sale which secures the obligation to pay any unpaid portion of the purchase price of the asset or an obligation incurred or any credit provided to enable the borrower to acquire the tangible asset; or

(b) such right, title or interest in any intangible asset or licence of any intangible asset, which secures the obligation to pay any unpaid portion of the purchase price of the intangible asset or the obligation incurred or any credit extended to enable the borrower to acquire the intangible asset or licence of intangible asset;'

27. In the principal Act, in section 4, for sub-section (2), the following sub-section shall be substituted, namely:—

Amendment of section 4.

"(2) Notwithstanding anything contained in sub-section (1), the Central Government may—

(a) authorise the Presiding Officer of any other Tribunal established under any other law for the time being in force to discharge the function of the Presiding Officer of a Debt Recovery Tribunal under this Act in addition to his being the Presiding Officer of that Tribunal; or

(b) authorise the judicial Member holding post as such in any other Tribunal, established under any other law for the time being in force, to discharge the functions of the Presiding Officer of Debts Recovery Tribunal

under this Act, in addition to his being the judicial Member of that Tribunal."

Amendment  
of section 6.

**28.** In the principal Act, for section 6, the following section shall be substituted, namely:—

Term of  
office of  
Presiding  
Officer.

"6. The Presiding Officer of a Tribunal shall hold office for a term of five years from the date on which he enters upon his office and shall be eligible for reappointment:

Provided that no person shall hold office as the Presiding Officer of a Tribunal after he has attained the age of sixty-five years."

Amendment  
of section 8.

**29.** In the principal Act, in section 8, in sub-section (I), the following proviso shall be inserted, namely:—

"Provided that the Central Government may authorise the Chairperson of any other Appellate Tribunal, established under any other law for the time being in force, to discharge the functions of the Chairperson of the Debts Recovery Appellate Tribunal under this Act in addition to his being the Chairperson of that Appellate Tribunal."

Amendment  
of section 11.

**30.** In the Principal Act, for section 11, the following section shall be substituted, namely:—

Term of  
office of  
Chairperson  
of Appellate  
Tribunal.

"11. The Chairperson of an Appellate Tribunal shall hold office for a term of five years from the date on which he enters upon his office and shall be eligible for reappointment:

Provided that no person shall hold office as the Chairperson of a Appellate Tribunal after he has attained the age of seventy years."

Amendment  
of section  
17A.

**31.** In the principal Act, in section 17A, after sub-section (I), the following sub-sections shall be inserted, namely:—

"(IA) For the purpose of exercise of general powers of superintendence and control over Tribunals under sub-section (I), the Chairperson may—

(i) direct the Tribunals to furnish, in such form, at such intervals and within such time, information relating to pending cases both under this Act and the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, or under any other law for the time being in force, number of cases disposed of, number of new cases filed and such other information as may be considered necessary by the Chairperson;

(ii) convene meetings of the Presiding Officers of Tribunals periodically to review their performance.

(IB) Where on assessment of the performance of any Presiding Officer of the Tribunal or otherwise, the Chairperson is of the opinion that an inquiry is required to be initiated against such Presiding Officer for misbehaviour or incapacity, he shall submit a report to the Central Government recommending action against such Presiding Officer, if any, under section 15, and for reasons to be recorded in writing for the same."

Amendment  
of section 19.

**32.** In the principal Act, in section 19,—

(i) in sub-section (I), clause (a) shall be renumbered as clause (aa) and before clause (aa) so renumbered, the following clause shall be inserted, namely:—

"(a) the branch or any other office of the bank or financial institution is maintaining an account in which debt claimed is outstanding, for the time being; or";



(ii) for sub-section (3), the following sub-section shall be substituted, namely:—

"(3) Every application under sub-section (1) or sub-section (2) shall be in such form, and shall be accompanied with true copies of all documents relied on in support of the claim along with such fee, as may be prescribed."

(iii) in sub-section (3), after the second proviso, the following *Explanation* shall be inserted, namely:—

"*Explanation.*—For the purposes of this section, documents includes statement of account or any entry in banker's book duly certified under the Bankers' Books Evidence Act, 1891.";

18 of 1891.

(iv) after sub-section (3), sub-section (3A) shall be renumbered as sub-section (3B) and before sub-section (3B) so renumbered, the following sub-section shall be inserted, namely:—

"(3A) Every applicant in the application filed under sub-section (1) or sub-section (2) for recovery of debt, shall—

(a) state particulars of the debt secured by security interest over properties or assets belonging to any of the defendants and the estimated value of such securities;

(b) if the estimated value of securities is not sufficient to satisfy the debt claimed, state particulars of any other properties or assets owned by any of the defendants, if any; and

(c) if the estimated value of such other assets is not sufficient to recover the debt, seek an order directing the defendant to disclose to the Tribunal particulars of other properties or assets owned by the defendants.";

(v) for sub-section (4), the following sub-section shall be substituted, namely:—

"(4) On receipt of application under sub-section (1) or sub-section (2), the Tribunal shall issue summons with following directions to the defendant—

(i) to show cause within thirty days of the service of summons as to why relief prayed for should not be granted;

(ii) direct the defendant to disclose particulars of properties or assets other than properties and assets specified by the applicant under clauses (a) and (b) of sub-section (3A); and

(iii) to restrain the defendant from dealing with or disposing of such assets and properties disclosed under clause (c) of sub-section (3A) pending the hearing and disposal of the application for attachment of properties.";

(vi) after sub-section (4), the following sub-section shall be inserted namely:—

"(4A) Notwithstanding anything contained in section 65A of the Transfer of Property Act, 1882, the defendant, on service of summons, shall not transfer by way of sale, lease or otherwise except in the ordinary course of his business any of the assets over which security interest is created and other properties and assets specified or disclosed under sub-section (3A), without the prior approval of the Tribunal:

4 of 1882.

Provided that the Tribunal shall not grant such approval without giving notice to the applicant bank or financial institution to show cause as to why approval prayed for should not be granted:

Provided further that defendant shall be liable to account for the sale proceeds realised by sale of secured assets in the ordinary course of business and deposit such sale proceeds in the account maintained with the bank or financial institution holding security interest over such assets.";

(vii) for sub-section (5), the following sub-section shall be substituted, namely:—

"(5) (i) the defendant shall within a period of thirty days from the date of service of summons, present a written statement of his defence including claim for set-off under sub-section (6) or a counter-claim under sub-section (8), if any, and such written statement shall be accompanied with original documents or true copies thereof with the leave of the Tribunal, relied on by the defendant in his defence:

Provided that where the defendant fails to file the written statement within the said period of thirty days, the Presiding Officer may, in exceptional cases and in special circumstances to be recorded in writing, extend the said period by such further period not exceeding fifteen days to file the written statement of his defence;

(ii) where the defendant makes a disclosure of any property or asset pursuant to orders passed by the Tribunal, the provisions of sub-section (4A) of this section shall apply to such property or asset;

(iii) in case of non-compliance of any order made under clause (ii) of sub-section (4), the Presiding Officer may, by an order, direct that the person or officer who is in default, be detained in civil prison for a term not exceeding three months unless in the meantime the Presiding Officer directs his release:

Provided that the Presiding Officer shall not pass an order under this clause without giving an opportunity of being heard to such person or officer.

*Explanation.*—For the purpose of this section, the expression 'officer who is in default' shall mean such officer as defined in clause (60) of section 2 of the Companies Act, 2013.";

18 of 2013.

(viii) for sub-section (5A), the following sub-section shall be substituted namely:—

"(5A) On receipt of the written statement of defendant or on expiry of time granted by the Tribunal to file the written statement, the Tribunal shall fix a date of hearing for admission or denial of documents produced by the parties to the proceedings and also for continuation or vacation of the interim order passed under sub-section (4).

(5B) Where a defendant makes an admission of the full or part of the amount of debt due to a bank or financial institution, the Tribunal shall order such defendant to pay the amount, to the extent of the admission within a period of thirty days from the date of such order failing which the Tribunal may issue a certificate in accordance with the provisions of sub-section (22) to the extent of the amount of debt due admitted by the defendant.";

(ix) in sub-section (6), after the words "the debt sought to be set-off", the words "the debt sought to be set-off along with original documents and other evidence relied on in support of claim of set-off in relation to any ascertained sum of money, against the applicant" shall be substituted;

(x) in sub-section (10), for the words "as may be fixed by the Tribunal", the words "as may be prescribed" shall be substituted;

(xi) after sub-section (10), the following sub-sections shall be inserted, namely:—

"(10A) Every application under sub-section (3) or written statement of defendant under sub-section (5) or claim of set-off under sub-section (6) or a counter-claim under sub-section (8) by the defendant, or written statement by the applicant in reply to the counter-claim, under sub-section (10) or any other pleading whatsoever, shall be supported by an affidavit sworn in by the applicant or defendant verifying all the facts and pleadings, the statements pleading documents and other documentary evidence annexed to the application or written statement or reply to set-off or counter-claim, as the case may be:

Provided that if there is any evidence of witnesses to be led by any party, the affidavits of such witnesses shall be filed simultaneously by the party with the application or written statement or replies filed under sub-section (10A).

(10B) If any of the facts or pleadings in the application or written statement are not verified in the manner provided under sub-section (10A), a party to the proceedings shall not be allowed to rely on such facts or pleadings as evidence or any of the matters set out therein.";

(xii) for sub-section (11), the following sub-section shall be substituted, namely:—

"(11) Where a defendant sets up a counter-claim in the written statement and in reply to such claim the applicant contends that the claim thereby raised ought not to be disposed of by way of counter-claim but in an independent action, the Tribunal shall decide such issue along with the claim of the applicant for recovery of the debt.";

(xiii) sub-section (12) shall be omitted.

(xiv) in sub-section (13) (A), for the words "the Tribunal is satisfied by affidavit or otherwise", the words "the Tribunal on an application made by the applicant along with particulars of property to be attached and estimated value thereof, or otherwise is satisfied" shall be substituted.";

(xv) sub-section (14) shall be omitted.

(xvi) in sub-section (15), for the word bracket and figure "sub-section (14)", the word bracket and figure "sub-section (13)" shall be substituted.

(xvii) for sub-section (19), the following sub-section shall be substituted namely:—

"(19) Where a certificate of recovery is issued against a company as defined under the Companies Act, 2013 and such company is under liquidation, the Tribunal may by an order direct that the sale proceeds of secured assets of such company be distributed in the same manner as provided in section 326 of the Companies Act, 2013 or under any other law for the time being in force.";

(xviii) for sub-section (20), the following sub-section shall be substituted, namely:—

"(20) The Tribunal may, after giving the applicant and the defendant, an opportunity of being heard, in respect of all claims, set-off or counter-claim, if any, and interest on such claims, within thirty days from the date of conclusion of the hearings, pass interim or final order as it deems fit which may include order for payment of interest from the date on which payment of the amount is found due up to the date of realisation or actual payment.";

(xix) after sub-section (20A), the following sub-sections shall be inserted, namely:—

"(20AA) While passing the final order under sub-section (20), the Tribunal shall clearly specify the assets of the borrower over which security interest is created in favour of any bank or financial institution and direct the Recovery Officers to distribute the sale proceeds of such assets as provided in sub-section (20AB).

(20AB) Notwithstanding anything to the contrary contained in any law for the time being in force, the proceeds from sale of secured assets shall be distributed in the following orders of priority, namely:—

(i) the costs incurred for preservation and protection of secured assets, the costs of valuation, public notice for possession and auction and other expenses for sale of assets shall be paid in full;

(ii) debts owed to the bank or financial institution.

*Explanation.*—For the purposes of this sub section, it is hereby clarified that on or after the commencement of the Insolvency and Bankruptcy Code, 2016, in cases where insolvency and bankruptcy proceedings are pending in respect of secured assets of the borrower, the distribution of proceeds from sale of secured assets shall be subject to the order of priority as provided in that Code." 31 of 2016.

(xx) for sub-section (21), the following sub-section shall be substituted, namely:—

"(21) (i) The Tribunal shall send a copy of its final order and the recovery certificate, to the applicant and defendant.

(ii) The applicant and the defendant may obtain copy of any order passed by the Tribunal on payment on such fee as may be prescribed.";

(xxi) for sub-section (22), the following sub-section shall be substituted, namely:—

"(22) The Presiding Officer shall issue a certificate of recovery along with the final order, under sub-section (20), for payment of debt with interest under his signature to the Recovery Officer for recovery of the amount of debt specified in the certificate.";

(xxii) after sub-section (22), the following sub-section shall be inserted, namely:—

"(22A) Any recovery certificate issued by the Presiding Officer under sub-section (22) shall be deemed to be decree or order of the Court for the purposes of initiation of winding up proceedings against a company registered under the Companies Act, 2013 or Limited Liability Partnership registered under the Limited Liability Partnership Act, 2008 or insolvency proceedings against any individual or partnership firm under any law for the time being in force, as the case may be."; 18 of 2013.  
9 of 2008.

(xxiii) in sub-section (24), for the words "endeavour shall be made by it", the following words "every effort shall be made by it to complete the proceedings in two hearings, and" shall be substituted.

**33.** After section 19 of the principal Act, the following sections shall be inserted, namely:—

"19A. (1) Notwithstanding anything to the contrary contained in this Act, and without prejudice to the provisions contained in section 6 of the Information Technology Act, 2000, the Central Government may by rules provide that from such date and before such Tribunal and Appellate Tribunal, as may be notified,— 21 of 2000.

Insertion of new section 19A.

Filing of recovery applications, documents and written statements in electronic form.

(a) application or written statement or any other pleadings and the documents to be annexed thereto required to be filed shall be submitted in the electronic form and authenticated with digital signature of the applicant, defendant or any other petitioner in such form and manner as may be prescribed;

(b) any summons, notice or communication or intimation as may be required to be served or delivered under this Act, may be served or delivered by transmission of pleadings and documents by electronic form and authenticated in such manner as may be prescribed.

(2) Any interim or final order passed by the Tribunal or Appellate Tribunal displayed on the website of such Tribunal or Appellate Tribunal shall be deemed to be a public notice of such order and transmission of such order by electronic mail to the registered address of the parties to the proceeding shall be deemed to be served on such party.

(3) The Central Government may by rules provide that the electronic form for the purpose specified in this section shall be exclusive, or in the alternative or in addition to the physical form, therefor.

(4) The Tribunal or the Appellate Tribunal notified under sub-section (1), for the purpose of adopting electronic filing, shall maintain its own website or common website with other Tribunals and Appellate Tribunal or such other universally accessible repositories of electronic information and ensure that all orders or directions issued by the Tribunal or Appellate Tribunal are displayed on the website of the Tribunal or Appellate Tribunal, in such manner as may be prescribed.

*Explanation.*—For the purpose of this section,—

21 of 2000. (a) 'digital signature' means the digital signature as defined under clause (p) of section 2 of the Information Technology Act, 2000;

21 of 2000. (b) 'electronic form' with reference to an information or a document means the electronic form as defined under clause (r) of section 2 of the Information Technology Act, 2000."

**34.** In the principal Act, in section 20 in sub-section (3), for the words "forty-five days", at both the places where they occur, the words "thirty days" shall be substituted. Amendment of section 20.

**35.** In the principal Act, in section 21,—

(i) for the words "seventy-five per cent.", the words "fifty per cent." shall be substituted;

(ii) in the proviso, for the words "waive or reduce the amount", the words "reduce the amount to be deposited by such amount which shall not be less than twenty-five per cent. of the amount of such debt so due" shall be substituted.

**36.** In the principal Act, in section 22, after sub-section (3), the following sub-section shall be inserted, namely:— Amendment of section 22.

18 of 1891. "(4) For the purpose of proof of any entry in the 'bankers books', the provisions of the Bankers' Books Evidence Act, 1891 shall apply to all the proceedings before the Tribunal or Appellate Tribunal."

**37.** In the principal Act, after section 22, the following section shall be inserted, namely:— Insertion of new section 22A.

"22A. The Central government may, for the purpose of this Act, by rules, lay down uniform procedure consistent with the provisions of this Act for conducting the proceedings before the Tribunals and Appellate Tribunals."

Uniform procedure for conduct of proceedings.

Amendment  
of section 25.

**38.** In the principal Act, in section 25,—

(i) after clause (a), the following clause shall be inserted, namely:—

"(aa) taking possession of property over which security interest is created or any other property of the defendant and appointing receiver for such property and to sell the same;"

(ii) after clause (c), the following clause shall be inserted, namely:—

"(d) any other mode of recovery as may be prescribed by the Central Government."

Amendment  
of section 27.

**39.** In the principal Act, in section 27, for sub-section (I), the following sub-section shall be substituted, namely:—

"(I) Notwithstanding that a certificate has been issued to the Recovery Officer for the recovery of any amount, the Presiding Officer, may by an order, grant time for payment of the amount, provided the defendant makes a down payment of not less than twenty-five per cent. of the amount specified in the recovery certificate and gives an unconditional undertaking to pay the balance within a reasonable time, which is acceptable to the applicant bank or financial institution holding recovery certificate.

(IA) The Recovery Officer shall, after receipt of the order passed under sub-section (I), stay the proceedings until the expiry of the time so granted.

(IB) Where defendant agrees to pay the amount specified in the Recovery Certificate and proceeding are stayed by the Recovery Officer, the defendant shall forfeit right to file appeal against the orders of the Tribunal.

(IC) Where the defendant commits any default in payment of the amount under sub-section (I), the stay of recovery proceedings shall stand withdrawn and the Recovery Officer shall take steps for recovery of remaining amount of debt due and payable."

Insertion of  
new section  
30A.

**40.** In the principal Act, after section 30, the following section shall be inserted, namely:—

"30A. Where an appeal is preferred against any order of the Recovery Officer, under section 30, by any person from whom the amount of debt is due to a bank or financial institution or consortium of banks or financial institutions, such appeal shall not be entertained by the Tribunal unless such person has deposited with the Tribunal fifty per cent. of the amount of debt due as determined by the Tribunal."

Deposit of  
amount of  
debt due for  
filing appeal  
against orders  
of the  
Recovery  
Officer.

Insertion of  
new section  
31B.

**41.** In the principal Act, after section 31A, the following section shall be inserted, namely:—

"31B. Notwithstanding anything contained in any other law for the time being in force, the rights of secured creditors to realise secured debts due and payable to them by sale of assets over which security interest is created, shall have priority and shall be paid in priority over all other debts and Government dues including revenues, taxes, cesses and rates due to the Central Government, State Government or local authority.

Priority to  
secured  
creditors.

*Explanation.*—For the purposes of this section, it is hereby clarified that on or after the commencement of the Insolvency and Bankruptcy Code, 2016, in cases where insolvency or bankruptcy proceedings are pending in respect of secured assets of the borrower, priority to secured creditors in payment of debt shall be subject to the provisions of that Code."

42. In the principal Act, in section 36, in sub-section (2),—

Amendment  
of section 36.

(i) clause (a) shall be numbered as clause (aa) and before clause (aa) as so renumbered, the following clause shall be inserted, namely:—

"(a) other business or commercial rights of similar nature under clause (jb) of section 2;"

(ii) after clause (c), the following clause shall be inserted, namely:—

"(ca) the form of application and the fee for filing application under sub-section (3) of section 19;

(iii) in clause (cc), for the brackets, figure and letter "(3A)", the brackets, figure and letter "(3B)" shall be substituted;

(iv) after clause (cc), the following clauses shall be inserted, namely:—

"(cca) the period for filing written statement under sub-section (10) of section 19;

(ccb) the fee for obtaining copy of the order of the Tribunal under sub-section (21) of section 19;

(ccc) the form and manner of authenticating digital signature under clause (a), and the manner of authenticating service or delivery of pleadings and documents under clause (b), of sub-section (1) of section 19A;

(ccd) the form and manner of filing application and other documents in the electronic form under sub-section (1) and manner of display of orders of the Tribunal and Appellate Tribunal under sub-section (4) of section 19A;"

(v) after clause (d), the following clauses shall be inserted, namely:—

"(da) the rules of uniform procedure for conducting the proceedings before the Tribunals and Appellate Tribunals under section 22A;

(db) the other mode of recovery under clause (d) of section 25;"

43. The Indian Stamp Act, 1899 shall be amended in the manner specified in the First Schedule.

Amendment  
of Act 2 of  
1899.

44. The Depositories Act, 1996 shall be amended in the manner specified in the Second Schedule.

Amendment  
of Act 22 of  
1996.



## THE FIRST SCHEDULE

(See section 43)

## AMENDMENT TO THE INDIAN STAMP ACT, 1899

(2 OF 1899)

After section 8E, the following section shall be inserted, namely:—

Agreement or document for transfer or assignment of rights or interest in financial assets not liable to stamp duty.

"8F. Notwithstanding anything contained in this Act or any other law for the time being in force, any agreement or other document for transfer or assignment of rights or interest in financial assets of banks or financial institutions under section 5 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, in favour of any asset reconstruction company, as defined in clause (ba) of sub-section (1) of section 2 of that Act, shall not be liable to duty under this Act."

54 of 2002.

## THE SECOND SCHEDULE

(See section 44)

## AMENDMENT TO THE DEPOSITORIES ACT, 1996

(22 OF 1996)

In section 7, after sub-section (1), the following sub-sections shall be inserted, namely:—

"(1A) Every depository on receipt of intimation from a participant register any transfer of security in favour of an asset reconstruction company as defined in clause (ba) of sub-section (1) of section 2 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 along with or consequent upon transfer or assignment of financial asset of any bank or financial institution under sub-section (1) of section 5 of that Act.

54 of 2002.

(1B) Every depository, on receipt of intimation from a participant, register any issue of new shares in favour of any bank or financial institution or asset reconstruction company or any other assignee of such bank or financial institution or asset reconstruction company, as the case may be, by conversion of part of their debt into shares pursuant to reconstruction of debts of the company agreed between the company and the bank or financial institution or asset reconstruction company.

*Explanation.*—For the purpose of this section, the expressions "asset reconstruction company", "bank", and "financial institution" shall have the meanings assigned to them respectively under clauses (ba), (c) and (m) of sub-section (1) of section 2 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002."

54 of 2002.



**Assented to on 19th August, 2016**  
**Act No. 45 of 2016**

THE CENTRAL AGRICULTURAL UNIVERSITY  
(AMENDMENT) ACT, 2016

AN

ACT

*further to amend the Central Agricultural University Act, 1992.*

BE it enacted by Parliament in the Sixty-seventh Year of the Republic of India as follows:—

**1.** This Act may be called the Central Agricultural University (Amendment) Act, 2016. Short title.

40 of 1992.

**2.** In the Central Agricultural University Act, 1992 (hereinafter referred to as the principal Act), in section 2, in clause (I), after the word “Mizoram,” the word “Nagaland,” shall be inserted. Amendment of section 2.

**3.** In section 6 of the principal Act, in sub-section (I), after the word “Mizoram,” the word “Nagaland,” shall be inserted. Amendment of section 6.

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**Assented to on 28th August, 2016**  
**Act No. 46 of 2016**

**THE APPROPRIATION (No. 3) ACT, 2016**

AN

ACT

*to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the services of the financial year 2016-17.*

BE it enacted by Parliament in the Sixty-seventh Year of the Republic of India as follows:—

- |   |  |
|---|--|
| <b>1.</b> This Act may be called the Appropriation (No. 3) Act, 2016.   | Short title.   |
| <b>2.</b> From and out of the Consolidated Fund of India there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of one lakh three thousand thirteen crore and seventy-four lakh rupees towards defraying the several charges which will come in the course of payment during the financial year 2016-17 in respect of the services specified in column 2 of the Schedule. | Issue of<br>Rs. 103013,74,00,000<br>out of the<br>Consolidated<br>Fund of India<br>for the<br>financial year<br>2016-17. |
| <b>3.</b> The sums authorised to be paid and applied from and out of the Consolidated Fund of India by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year.   | Appropriation.   |

THE SCHEDULE  
(See sections 2 and 3)

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
1	Department of Agriculture, Cooperation and Farmers Welfare .....	Revenue	1400,02,00,000	1400,02,00,000
2	Department of Agricultural Research and Education .....	Revenue	1,00,000	1,00,000
3	Department of Animal Husbandry, Dairying and Fisheries .....	Revenue	100,02,00,000	100,02,00,000
		Capital	1,00,000	1,00,000
5	Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH) .....	Revenue	1,00,000	1,00,000
6	Department of Chemicals and Petrochemicals .....	Revenue	1,00,000	1,00,000
		Capital	1,00,000	1,00,000
7	Department of Fertilizers .....	Revenue	1,00,000	1,00,000
9	Ministry of Civil Aviation .....	Revenue	1,00,000	1,00,000
11	Department of Commerce .....	Revenue	..	2,72,00,000
12	Department of Industrial Policy and Promotion .....	Revenue	11,15,00,000	11,15,00,000
13	Department of Posts .....	Capital	150,00,00,000	150,00,00,000
14	Department of Telecommunications .....	Revenue	2000,00,00,000	2000,00,00,000
		Capital	500,00,00,000	500,00,00,000
15	Department of Electronics and Information Technology...	Revenue	180,00,00,000	180,00,00,000
		Capital	110,00,00,000	110,00,00,000
16	Department of Consumer Affairs .....	Revenue	580,02,00,000	580,02,00,000
17	Department of Food and Public Distribution .....	Revenue	27,57,00,000	27,57,00,000
		Capital	40550,00,00,000	40550,00,00,000
18	Ministry of Corporate Affairs .....	Revenue	55,85,00,000	55,85,00,000
19	Ministry of Culture .....	Revenue	2,00,000	2,00,000
		Capital	1,00,000	1,00,000
20	Ministry of Defence (Misc.) .....	Revenue	1,00,000	1,00,000
28	Ministry of External Affairs .....	Revenue	600,00,00,000	600,00,00,000
29	Department of Economic Affairs .....	Revenue	60,02,00,000	60,02,00,000
		Capital	1672,18,00,000	1672,18,00,000
32	Transfers to States .....	Revenue	4000,00,00,000	4000,00,00,000
		Capital	..	3000,00,00,000
34	Department of Expenditure .....	Revenue	50,00,00,000	50,00,00,000
37	Department of Revenue .....	Revenue	38,00,00,000	38,00,00,000
38	Direct Taxes .....	Revenue	100,00,00,000	100,00,00,000
42	Department of Health and Family Welfare ..	Revenue	400,06,00,000	400,06,00,000
		Capital	2,00,000	2,00,000
44	Department of Heavy Industry.....	Revenue	467,07,00,000	467,07,00,000
48	Police .....	Revenue	25,01,00,000	25,01,00,000
50	Ministry of Housing and Urban Poverty Alleviation .....	Revenue	1,00,000	1,00,000
51	Department of School Education and Literacy .....	Revenue	4,00,000	4,00,000
52	Department of Higher Education .....	Revenue	100,02,00,000	100,02,00,000
54	Ministry of Labour and Employment .....	Revenue	1,00,000	1,00,000
		Capital	1,10,00,000	1,10,00,000
58	Ministry of Micro, Small and Medium Enterprises .....	Revenue	2,00,000	2,00,000
60	Ministry of Minority Affairs .....	Revenue	1,00,000	1,00,000
61	Ministry of New and Renewable Energy .....	Revenue	1,00,000	1,00,000
64	Ministry of Personnel, Public Grievances and Pensions...	Revenue	1,00,000	1,00,000

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
66	Ministry of Petroleum and Natural Gas ..... Capital	1000,00,00,000	..	1000,00,00,000
68	Ministry of Power ..... Revenue	1,00,000	..	1,00,000
74	Ministry of Road Transport and Highways ..... Revenue	1,00,000	..	1,00,000
	Capital	31972,68,00,000	..	31972,68,00,000
75	Department of Rural Development ..... Revenue	10000,00,00,000	..	10000,00,00,000
	Capital	1,00,00,000	..	1,00,00,000
76	Department of Land Resources ..... Revenue	1,00,000	..	1,00,000
77	Department of Science and Technology ..... Revenue	1,00,000	..	1,00,000
81	Ministry of Skill Development and Entrepreneurship... .. Revenue	2,00,000	..	2,00,000
82	Department of Social Justice and Empowerment ..... Revenue	2,00,000	..	2,00,000
84	Department of Space ..... Capital	300,00,00,000	..	300,00,00,000
85	Ministry of Statistics and Programme Implementation... Revenue	1,00,000	..	1,00,000
87	Ministry of Textiles ..... Revenue	550,01,00,000	..	550,01,00,000
	Capital	98,10,00,000	..	98,10,00,000
89	Ministry of Tribal Affairs ..... Revenue	2,00,000	1,00,000	3,00,000
93	Daman and Diu ..... Revenue	1,00,000	..	1,00,000
	Capital	3,00,000	..	3,00,000
94	Lakshadweep ..... Capital	2,00,000	17,00,00,000	17,02,00,000
95	Ministry of Urban Development ..... Revenue	314,04,00,000	..	314,04,00,000
	Capital	2120,00,00,000	..	2120,00,00,000
96	Ministry of Water Resources, River Development and Ganga Rejuvenation ..... Revenue	18,00,00,000	1,80,00,000	19,80,00,000
	Capital	25,00,00,000	..	25,00,00,000
97	Ministry of Women and Child Development ..... Revenue	200,03,00,000	..	200,03,00,000
98	Ministry of Youth Affairs and Sports ..... Revenue	214,85,00,000	..	214,85,00,000
	TOTAL :	99992,21,00,000	3021,53,00,000	103013,74,00,000



**Assented to on 8th September, 2016**  
**Act No. 47 of 2016**

THE CONSTITUTION (ONE HUNDRED AND FIRST  
AMENDMENT) ACT, 2016

AN

ACT

*further to amend the Constitution of India.*

Be it enacted by Parliament in the Sixty-seventh Year of the Republic of India as follows:—

1. (1) This Act may be called the Constitution (One Hundred and First Amendment) Act, 2016. Short title and commencement.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint, and different dates may be appointed for different provisions of this Act and any reference in any such provision to the commencement of this Act shall be construed as a reference to the commencement of that provision.

2. After article 246 of the Constitution, the following article shall be inserted, namely:— Insertion of new article 246A.

"246A. (1) Notwithstanding anything contained in articles 246 and 254, Parliament, and, subject to clause (2), the Legislature of every State, have power to make laws with respect to goods and services tax imposed by the Union or by such State. Special provision with respect to goods and services tax.

(2) Parliament has exclusive power to make laws with respect to goods and services tax where the supply of goods, or of services, or both takes place in the course of inter-State trade or commerce.

*Explanation.*—The provisions of this article, shall, in respect of goods and services tax referred to in clause (5) of article 279A, take effect from the date recommended by the Goods and Services Tax Council.”.

Amendment of article 248. **3.** In article 248 of the Constitution, in clause (1), for the word "Parliament", the words, figures and letter "Subject to article 246A, Parliament" shall be substituted.

Amendment of article 249. **4.** In article 249 of the Constitution, in clause (1), after the words "with respect to", the words, figures and letter "goods and services tax provided under article 246A or" shall be inserted.

Amendment of article 250. **5.** In article 250 of the Constitution, in clause (1), after the words "with respect to", the words, figures and letter "goods and services tax provided under article 246A or" shall be inserted.

Amendment of article 268. **6.** In article 268 of the Constitution, in clause (1), the words "and such duties of excise on medicinal and toilet preparations" shall be omitted.

Omission of article 268A. **7.** Article 268A of the Constitution, as inserted by section 2 of the Constitution (Eighty-eighth Amendment) Act, 2003 shall be omitted.

Amendment of article 269. **8.** In article 269 of the Constitution, in clause (1), after the words "consignment of goods", the words, figures and letter "except as provided in article 269A" shall be inserted.

Insertion of new article 269A. **9.** After article 269 of the Constitution, the following article shall be inserted, namely:—

Levy and collection of goods and services tax in course of inter-State trade or commerce.

“269A. (1) Goods and services tax on supplies in the course of inter-State trade or commerce shall be levied and collected by the Government of India and such tax shall be apportioned between the Union and the States in the manner as may be provided by Parliament by law on the recommendations of the Goods and Services Tax Council.

*Explanation.*—For the purposes of this clause, supply of goods, or of services, or both in the course of import into the territory of India shall be deemed to be supply of goods, or of services, or both in the course of inter-State trade or commerce.

(2) The amount apportioned to a State under clause (1) shall not form part of the Consolidated Fund of India.

(3) Where an amount collected as tax levied under clause (1) has been used for payment of the tax levied by a State under article 246A, such amount shall not form part of the Consolidated Fund of India.

(4) Where an amount collected as tax levied by a State under article 246A has been used for payment of the tax levied under clause (1), such amount shall not form part of the Consolidated Fund of the State.

(5) Parliament may, by law, formulate the principles for determining the place of supply, and when a supply of goods, or of services, or both takes place in the course of inter-State trade or commerce.”.

Amendment of article 270. **10.** In article 270 of the Constitution,—

(i) in clause (1), for the words, figures and letter "articles 268, 268A and 269", the words, figures and letter "articles 268, 269 and 269A" shall be substituted;

(ii) after clause (1), the following clauses shall be inserted, namely:—

“(1A) The tax collected by the Union under clause (1) of article 246A shall also be distributed between the Union and the States in the manner provided in clause (2).

(1B) The tax levied and collected by the Union under clause (2) of article 246A and article 269A, which has been used for payment of the tax levied by the Union under clause (1) of article 246A, and the amount apportioned to the Union under clause (1) of article 269A, shall also be distributed between the Union and the States in the manner provided in clause (2).”.

Amendment of article 271. **11.** In article 271 of the Constitution, after the words “in those articles”, the words, figures and letter “except the goods and services tax under article 246A,” shall be inserted.



12. After article 279 of the Constitution, the following article shall be inserted, namely:—

Insertion of  
new article  
279A.

“279A. (1) The President shall, within sixty days from the date of commencement of the Constitution (One Hundred and First Amendment) Act, 2016, by order, constitute a Council to be called the Goods and Services Tax Council.

Goods and  
Services Tax  
Council.

(2) The Goods and Services Tax Council shall consist of the following members, namely:—

- (a) the Union Finance Minister..... Chairperson;
- (b) the Union Minister of State in charge of Revenue or Finance..... Member;
- (c) the Minister in charge of Finance or Taxation or any other Minister nominated by each State Government.....Members.

(3) The Members of the Goods and Services Tax Council referred to in sub-clause (c) of clause (2) shall, as soon as may be, choose one amongst themselves to be the Vice-Chairperson of the Council for such period as they may decide.

(4) The Goods and Services Tax Council shall make recommendations to the Union and the States on—

- (a) the taxes, cesses and surcharges levied by the Union, the States and the local bodies which may be subsumed in the goods and services tax;
- (b) the goods and services that may be subjected to, or exempted from the goods and services tax;
- (c) model Goods and Services Tax Laws, principles of levy, apportionment of Goods and Services Tax levied on supplies in the course of inter-State trade or commerce under article 269A and the principles that govern the place of supply;
- (d) the threshold limit of turnover below which goods and services may be exempted from goods and services tax;
- (e) the rates including floor rates with bands of goods and services tax;
- (f) any special rate or rates for a specified period, to raise additional resources during any natural calamity or disaster;
- (g) special provision with respect to the States of Arunachal Pradesh, Assam, Jammu and Kashmir, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Himachal Pradesh and Uttarakhand; and
- (h) any other matter relating to the goods and services tax, as the Council may decide.

(5) The Goods and Services Tax Council shall recommend the date on which the goods and services tax be levied on petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas and aviation turbine fuel.

(6) While discharging the functions conferred by this article, the Goods and Services Tax Council shall be guided by the need for a harmonised structure of goods and services tax and for the development of a harmonised national market for goods and services.

(7) One-half of the total number of Members of the Goods and Services Tax Council shall constitute the quorum at its meetings.

(8) The Goods and Services Tax Council shall determine the procedure in the performance of its functions.

(9) Every decision of the Goods and Services Tax Council shall be taken at a meeting, by a majority of not less than three-fourths of the weighted votes of the members present and voting, in accordance with the following principles, namely:—

(a) the vote of the Central Government shall have a weightage of one-third of the total votes cast, and

(b) the votes of all the State Governments taken together shall have a weightage of two-thirds of the total votes cast,

in that meeting.

(10) No act or proceedings of the Goods and Services Tax Council shall be invalid merely by reason of—

(a) any vacancy in, or any defect in, the constitution of the Council; or

(b) any defect in the appointment of a person as a Member of the Council; or

(c) any procedural irregularity of the Council not affecting the merits of the case.

(11) The Goods and Services Tax Council shall establish a mechanism to adjudicate any dispute—

(a) between the Government of India and one or more States; or

(b) between the Government of India and any State or States on one side and one or more other States on the other side; or

(c) between two or more States,

arising out of the recommendations of the Council or implementation thereof.”.

Amendment  
of article  
286.

**13.** In article 286 of the Constitution,—

(i) in clause (1),—

(A) for the words "the sale or purchase of goods where such sale or purchase takes place", the words "the supply of goods or of services or both, where such supply takes place" shall be substituted;

(B) in sub-clause (b), for the word “goods”, at both the places where it occurs, the words “goods or services or both” shall be substituted;

(ii) in clause (2), for the words "sale or purchase of goods takes place", the words "supply of goods or of services or both" shall be substituted;

(iii) clause (3) shall be omitted.

Amendment  
of article 366.

**14.** In article 366 of the Constitution,—

(i) after clause (12), the following clause shall be inserted, namely:—

“(12A) “goods and services tax” means any tax on supply of goods, or services or both except taxes on the supply of the alcoholic liquor for human consumption;”;

(ii) after clause (26), the following clauses shall be inserted, namely:—

“(26A) “Services” means anything other than goods;

“(26B) “State” with reference to articles 246A, 268, 269, 269A and article 279A includes a Union territory with Legislature;”.

Amendment  
of article 368.

**15.** In article 368 of the Constitution, in clause (2), in the proviso, in clause (a), for the words and figures “article 162 or article 241”, the words, figures and letter “article 162, article 241 or article 279A” shall be substituted.

Amendment  
of Sixth  
Schedule.

**16.** In the Sixth Schedule to the Constitution, in paragraph 8, in sub-paragraph (3),—

(i) in clause (c), the word "and" occurring at the end shall be omitted;

(ii) in clause (d), the word "and" shall be inserted at the end;

(iii) after clause (d), the following clause shall be inserted, namely:—

"(e) taxes on entertainment and amusements."

**17.** In the Seventh Schedule to the Constitution,—

Amendment  
of Seventh  
Schedule.

(a) in List I—Union List,—

(i) for entry 84, the following entry shall be substituted, namely:—

"84. Duties of excise on the following goods manufactured or produced in India, namely:—

(a) petroleum crude;

(b) high speed diesel;

(c) motor spirit (commonly known as petrol);

(d) natural gas;

(e) aviation turbine fuel; and

(f) tobacco and tobacco products.";

(ii) entries 92 and 92C shall be omitted;

(b) in List II—State List,—

(i) entry 52 shall be omitted;

(ii) for entry 54, the following entry shall be substituted, namely:—

"54. Taxes on the sale of petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas, aviation turbine fuel and alcoholic liquor for human consumption, but not including sale in the course of inter-State trade or commerce or sale in the course of international trade or commerce of such goods.";

(iii) entry 55 shall be omitted;

(iv) for entry 62, the following entry shall be substituted, namely:—

"62. Taxes on entertainments and amusements to the extent levied and collected by a Panchayat or a Municipality or a Regional Council or a District Council."

**18.** Parliament shall, by law, on the recommendation of the Goods and Services Tax Council, provide for compensation to the States for loss of revenue arising on account of implementation of the goods and services tax for a period of five years.

Compensation  
to States for  
loss of  
revenue on  
account of  
introduction  
of goods and  
services tax.

**19.** Notwithstanding anything in this Act, any provision of any law relating to tax on goods or services or on both in force in any State immediately before the commencement of this Act, which is inconsistent with the provisions of the Constitution as amended by this Act shall continue to be in force until amended or repealed by a competent Legislature or other competent authority or until expiration of one year from such commencement, whichever is earlier.

Transitional  
provisions.

**20.** (1) If any difficulty arises in giving effect to the provisions of the Constitution as amended by this Act (including any difficulty in relation to the transition from the provisions of the Constitution as they stood immediately before the date of assent of the President to this Act to the provisions of the Constitution as amended by this Act), the President may,

Power of  
President to  
remove  
difficulties.

by order, make such provisions, including any adaptation or modification of any provision of the Constitution as amended by this Act or law, as appear to the President to be necessary or expedient for the purpose of removing the difficulty:

Provided that no such order shall be made after the expiry of three years from the date of such assent.

(2) Every order made under sub-section (1) shall, as soon as may be after it is made, be laid before each House of Parliament.

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**Assented to on 8th September, 2016**  
**Act No. 47 of 2016**

## THE TAXATION LAWS (AMENDMENT) ACT, 2016

AN

ACT

*further to amend the Income-Tax Act, 1961 and the Customs Tariff Act, 1975.*

BE it enacted by Parliament in the Sixty-seventh Year of the Republic of India  
as follows:—

### CHAPTER I

#### PRELIMINARY

1. (1) This Act may be called the Taxation Laws (Amendment) Act, 2016.

Short title and  
commencement.

(2) Save as otherwise provided in this Act, it shall come into force at once.

### CHAPTER II

#### DIRECT TAX

##### *Income-tax*

43 of 1961.

2. In the Income-tax Act, 1961 (hereinafter referred to as the principal Act in this Chapter), in section 2, in clause (19AA), after *Explanation 4*, the following *Explanation* shall be inserted, with effect from the 1st day of April, 2017, namely:—

Amendment  
of section 2.

*"Explanation 5.*—For the purposes of this clause, the reconstruction or splitting up of a company, which ceased to be a public sector company as a result of transfer of

its shares by the Central Government, into separate companies, shall be deemed to be a demerger, if such reconstruction or splitting up has been made to give effect to any condition attached to the said transfer of shares and also fulfils such other conditions as may be notified by the Central Government in the Official Gazette.”.

Amendment  
of section  
80 JJAA.

3. In the principal Act, in section 80JJAA, in sub-section (2), in the *Explanation*, after clause (ii), the following proviso shall be inserted, with effect from the 1st day of April, 2017, namely:—

‘Provided that in the case of an assessee who is engaged in the business of manufacturing of apparel, the provisions of sub-clause (c) shall have effect as if for the words “two hundred and forty days”, the words “one hundred and fifty days” had been substituted.’.

### CHAPTER III

#### INDIRECT TAX

##### *Customs tariff*

Amendment  
of First  
Schedule.

4. In the Customs Tariff Act, 1975, in the First Schedule,—

51 of 1975.

(a) in Chapter 25, for the entry “10%” in column (4) occurring against tariff items 2515 11 00, 2515 12 10, 2515 12 20, 2515 12 90, 2516 11 00 and 2516 12 00, the entry “40%” shall respectively be substituted;

(b) in Chapter 68, for the entry “10%” in column (4) occurring against tariff items 6802 10 00, 6802 21 10, 6802 21 20, 6802 21 90, 6802 23 10, 6802 23 90, 6802 29 00, 6802 91 00, 6802 92 00 and 6802 93 00, the entry “40%” shall respectively be substituted.